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107TH CONGRESS *1st Session*	HOUSE OF REPRESENTATIVES	REPORT 107–26

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 2002

R E P O R T

OF THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H. Con. Res. 83

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2002, REVISING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2001, AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR EACH OF FISCAL YEARS 2003 THROUGH 2011

together with

MINORITY VIEWS

MARCH 23, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. NUSSLE, from the Committee on Budget, submitted the following

R E P O R T

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MINORITY VIEWS

[To accompany H. Con. Res. 83]

SECURING AMERICA'S FUTURE

INTRODUCTION TO THE BUDGET RESOLUTION

The peace and prosperity ardently sought by past generations are at hand. They have been won by vision and sacrifice, and now provide extraordinary hope and opportunity. This is the time to secure those benefits, and build on them for the future. That is the goal of this budget.

But budgeting is still about setting priorities. Even in an age when taxpayers are providing Government far more money than it needs, Government retains an obligation to manage those funds in the best interest of the Nation. Resources available to the Government may be ample—but they are not infinite.

With that in mind, this budget resolution supports the priorities clearly defined by the President. They are the following:

- *Paying Down the Debt.* The budget eliminates $2.3 trillion of public debt by 2011. This will reduce the Government's public debt to 7 percent of gross domestic product [GDP], its lowest level in more than 80 years.
- *Tax Reduction for Every Taxpayer.* The budget allows taxpayers to keep roughly one-fourth of projected surpluses over the next 10 years (29 percent of $5.61 trillion) through lower tax bills for all taxpayers. Overall, taxpayers will keep $1.62 trillion more of their own earnings. Key tax reduction measures anticipated by the budget are retroactive marginal rate reduction (as already passed by the House), doubling of the child tax credit, marriage penalty relief, and death tax relief.
- *Education Reform.* The budget assumes the President's "No Child Left Behind" education reform strategy, which emphasizes achievement and accountability. The budget also creates a $1.25-billion reserve fund for the Individuals With Disabilities Education Act [IDEA] Part B grants to States.
- *Strengthening National Defense.* The budget provides an increase of $14.3 billion, or 4.6 percent, principally to address immediate needs of the Nation's military personnel—including pay, housing, and health benefits. The budget also provides for additional funds, as may be needed, following the administration's review of future defense needs.
- *Protecting and Modernizing Social Security.* The budget preserves ever dollar of Social Security funds for Social Security. It also supports the President's call for Social Security reform that preserves the benefits of current and near retirees, but also meets the program's growing needs when the baby-boom generation begins retiring.

- *Reforming Medicare.* The budget supports the goal of Medicare reform, including prescription drug coverage.

The budget provides for inflationary growth in nondefense discretionary spending, and a $5.6-billion emergency set-aside for natural disasters. It provides a mechanism to expand support for the Nation's farmers as they continue the transition to a market-based (as opposed to Government-dictated) farm economy. It boosts veterans' medical care by $1.7 billion (or 7.6 percent compared with fiscal year 2001. It continues pursuing the goal of doubling the 1998 funding level of the National Institutes of Health [NIH] by 2003.

This is only a brief summary. More of the detail appears in the text that follows. In the coming months, the committees of Congress will address the legislative actions needed to realize the vision outlined here. The vision is to secure the Nation's future—and the priorities supported by this budget define what the Government can do to make that possible.

[Please note: This budget supports a range of presidential initiatives and recommendations, and its funding levels are designed to accommodate them. But as always, the actual policies will be determined by the authorizing and appropriating committees with jurisdiction in the program areas involved.]

ECONOMIC ASSUMPTIONS

The Committee's budget resolution uses the economic assumptions developed by the Congressional Budget Office [CBO] and presented in CBO's *The Budget and Economic Outlook: Fiscal Years 2002–2011* (January 2001). These assumptions comprise a short-term forecast for 2001 and 2002—which reflects the current state of the economy relative to the business cycle—and a medium-term projection for 2003 through 2011, based on longer-term economic trends.

The growth of real gross domestic product [GDP] dropped substantially in the 3d quarter of last year and continued to slow in the 4th quarter. Although economic growth remains positive, this rapid slowdown of economic activity has led to a talk of possible recession. Nevertheless, many economists believe that growth will remain positive and that, if a recession occurred, it would be short-lived. CBO as well as the Office of Management and Budget [OMB] expect a rebound in the rate of growth later in the year. Private forecasts also anticipate a rebound despite their recent downward adjustments in the rate of growth for the current year. Overall, all forecasts indicate that the economy will operate closer to its potential (the highest sustainable level of output without accelerating inflation) next year, reflecting the view that the increases in productivity since the mid-1990s are more than transitory.

REVIEW OF RECENT ECONOMIC DEVELOPMENTS

Economic activity began slowing in the 2d half of last year. Growth in consumer spending, residential investment, and business fixed investment markedly decelerated, and stock prices fell substantially. Consumer spending, after taking account of inflation, declined from an annual growth rate of 5.4 percent in the 2d quarter to 4.5 percent in the 3d quarter. Investment in housing fell by 10.6 percent from the 1st half to the 3d quarter of 2000. For the same period, real (inflation adjusted) business fixed investment deteriorated from an annual rate of 17.7 percent to 7.7 percent. The Standard & Poor's 500 stock price index, which grew at an annual rate of almost 15 percent in 1999 and the 1st half of 2000, started falling at an annual rate of 17 percent later last year. Such a slowdown in growth is inevitable to some extent because both consumer and business spending grew rapidly in the earlier periods. In addition, fundamental factors that contributed to deceleration: sharp decreases in stock prices last year reduced consumers' wealth, raised businesses' cost of capital, and resulted in weakening consumers' expectations and businesses' confidence about future economic activity.

During the 1st half of last year, the Federal Reserve raised the Federal funds rate to 6.5 percent in response to rapid expansion in aggregate demand. As the economy slowed, however, the Federal Reserve made a surprise move in January of this year and lowered the rate twice by 0.5 percentage point, bringing it down to 5.5 percent. Consumers and businesses responded to the easing in credit market conditions, generating a modest rebound. Although the current quarter's GDP growth remains weak, aggregate demand appears to be holding up well, while excess inventories are being liquidated.

SUMMARY OF CBO'S ECONOMIC PROJECTIONS THROUGH 2011

The growth of the U.S. economy in the past 5 years has been exceptional. Not only has GDP grown rapidly, but inflation has remained relatively low despite the inflationary pressures from low unemployment. This outstanding performance is largely due to the growth of labor productivity that accelerated from a rate of 1.5 percent a year during the 1974–1995 period to 2.9 percent for the 1996–2000 period. The acceleration of investment in information technology [IT] accounts for the recent surge, and it appears likely to continue contributing to the economy's underlying ability to produce goods and services. For the period 2001–2011, the average annual rate of labor productivity growth is expected to be 2.5 percent (see Table E1). Other factors that contributed to the extraordinary economic growth are: changes in corporate behavior (which were facilitated by the IT revolution), economic weakness in other countries (which provided financial capital to the United States where returns to investment were higher and kept the cost of imports low), and significant improvement in the Federal budget. On the whole, the economic outlook for this projection period is good.

CBO anticipates real GDP growth of 2.4 percent for 2001 and 3.4 percent for 2002, and an average growth rate of 3.1 percent for 2002 through 2011 (see Table E2). The agency expects energy prices to decline and to slow the rate of consumer price inflation to 2.8 percent for this year and next year. Inflation is projected to be 2.7 percent for 2003 and then 2.5 percent for the rest of the period. Lower interest rates also are projected, given slower growth of economic activity. Short-term interest rates are projected to be 4.8 percent for 2001 and 4.9 percent for 2002, averaging 4.9 percent for the 10-year projection period. Long-term interest rates are projected to be 4.9 percent for 2001 and 5.3 percent for 2002, rising gradually to 5.8 percent by 2006. The unemployment rate is expected to increase to 4.4 percent for 2001 and 4.5 percent for 2002, eventually reaching 4.9 percent in 2006 and thereafter.

COMPARISON OF FORECASTS

CBO's economic forecast is typically compared with that of OMB and the Blue Chip. Blue Chip Consensus reports an average of approximately 50 private-sector forecasts with no attempt to make them internally consistent, unlike CBO and OMB forecasts. Generally speaking, forecasts by CBO and OMB tend to be more conservative than that of Blue Chip. In recent years, CBO and OMB were very close in their economic projections, with discrepancies well within the average errors of such forecasts. Although they underestimated the strength of economic growth in the past few years, they have adjusted upward their underlying trend in the growth of real GDP, reflecting increases in labor productivity and total factor productivity that stemmed from progress in information technology and the growth of capital input.

Although Blue Chip Consensus forecasts substantially lower real GDP growth for 2001 than the other two, all three forecast a rise in the growth rate next year. Blue Chip Consensus projects growth rates that are 0.2 percentage point to 0.4 percentage point higher than CBO from 2004 through 2007 (see Table E3). CBO's and OMB's projections are very close, except that OMB anticipates slightly higher growth rates from 2004 through 2009. CBO anticipates higher consumer price inflation. Further, CBO's projections of unemployment rates are much higher than those of OMB and Blue Chip, indicating its view that the growth of GDP will be lower than that of potential GDP. CBO expects short-term interest rates to be lower and long-term interest rates to be higher than the others. Overall, CBO's projections are the most conservative.

TABLE E1.—LABOR PRODUCTIVITY TRENDS

[Percentage]

	Average Annual Rate	
	Actual	Projected
1951–1973	2.7	....
1974–1995	1.5	....
1996–2000	2.9	....
2001–2011	....	2.5

Source: CBO.

TABLE E2.—ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION

[Calendar years 2001–2011]

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Real GDP (percentage change year over year)	2.4	3.4	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1
GDP Price Index (percentage change year over year)	2.3	2.1	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Consumer Price Inflation (percentage change year over year)	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Unemployment Rate (percent, annual rate)	4.4	4.5	4.5	4.7	4.8	4.9	4.9	4.9	4.9	4.9	4.9
3-month Treasury Bill Rate (percent, annual rate)	4.8	4.9	5.0	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
10-year Treasury Note Rate (percent, annual rate)	4.9	5.3	5.5	5.6	5.7	5.8	5.8	5.8	5.8	5.8	5.8

TABLE E3.—COMPARISON OF ECONOMIC ASSUMPTIONS

[Calendar years 2001–2011]

	Estimated 2000	Forecast		Projected								
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Real GDP (percentage change year over year):												
CBO	5.1	2.4	3.4	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1
OMB	5.1	2.4	3.3	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Blue Chip	5.0	1.9	3.4	3.5	3.4	3.4	3.4	3.3	....	....	....	....
GDP Price Index (percentage change year over year):												
CBO	2.1	2.3	2.1	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
OMB	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Blue Chip	2.1	2.1	2.0	2.1	2.1	2.1	2.2	2.2	....	....	....	....
Consumer Price Inflation (percentage change year over year):												
CBO	3.4	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
OMB	3.4	2.7	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Blue Chip	3.4	2.8	2.4	2.6	2.6	2.5	2.6	2.6	....	....	....	....
Unemployment Rate (percent, annual rate):												
CBO	4.0	4.4	4.5	4.5	4.7	4.8	4.9	4.9	4.9	4.9	4.9	4.9
OMB	4.0	4.4	4.6	4.5	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.6
Blue Chip	4.0	4.5	4.6	4.6	4.6	4.6	4.6	4.6	....	....	....	....
3-month Treasury Bill Rate (percent, annual rate):												
CBO	5.8	4.8	4.9	5.0	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
OMB	5.8	5.3	5.6	6.6	6.6	6.3	5.0	5.0	5.0	5.0	5.0	5.0
Blue Chip	5.8	4.6	4.8	5.2	6.3	6.3	5.2	5.2	....	....	....	....
10-year Treasury Note Rate (percent, annual rate):												
CBO	6.0	4.9	5.3	5.5	5.6	5.7	5.8	5.8	5.8	5.8	5.8	5.8
OMB	6.0	5.4	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Blue Chip	6.0	5.1	5.4	5.7	5.7	5.7	5.7	5.7	....	....	....	....

[1] First three quarters are actual and the fourth quarter is an estimate.

Sources: CBO, OMB, Blue Chip Economic Indicators (March 10, 2001).

DEBT REDUCTION

The budget resolution pays down $2.3 trillion of debt held by the public over the next 10 years. As a result, the Government's publicly held debt would decline to 7 percent of Gross Domestic Product [GDP], its lowest level in more than 80 years. For comparison, debt held by the public was 80 percent of GDP in 1950 (following World War II), 42 percent in 1990 (following the cold war), and 35 percent as recently as 2000.

The resolution pays off the maximum amount of public debt that can reasonably be retired by 2011. The roughly $1 trillion remaining debt in 2011 is considered "non-retireable" or "non-redeemable." It consists of marketable bonds that will not have matured, savings bonds, and special bonds for State and local governments, among others. The Federal Government would have to pay a "premium" as high as $150 billion to persuade bond holders to sell back these bonds—and even then the holders would not be required to release the bonds before maturity, because these instruments are not "callable."

In this environment, the Government is in the position, under current law, of accumulating "excess cash balances" (when surpluses exceed the amount of maturing debt). This excess cash could force the Government to begin buying up private assets, leading to substantial—and undesirable—Government ownership of the private economy.

The House Majority Leader has warned that excess surpluses invested in private assets could have serious political consequences. "In no time, the Federal Government would use its vast new economic influence to advance any number of politically correct causes," he wrote in a February 6 memorandum to Members of the House. "It would forever change the relationship between the Government and our people."

From an economic perspective, Federal Reserve Chairman Greenspan has warned that the political pressure connected with such investments would risk "sub-optimal performance" by capital markets, a less efficient economy, and weaker growth in living standards. As a result, Chairman Greenspan calls this "the critical longer-term fiscal policy issue" facing Congress and the administration.

REVENUES

FUNCTION SUMMARY

The Revenues function reflects all of the Federal Government's various tax receipts. This includes individual income taxes; corporate income taxes; social insurance taxes; excise taxes, such as the gasoline tax; and other taxes, such as estate and gift taxes.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution allows taxpayers to keep roughly one-fourth of projected surpluses over the next 10 years (29 percent of $5.61 trillion) through lower tax bills for all taxpayers. Overall, taxpayers will keep $1.62 trillion of their earnings over the next 10 years, under the reconciliation instructions in this budget.

The budget implements this tax reduction through four reconciliation bills—the four pillars of the tax reduction plan:

- Marginal rate reduction, as already passed by the House.
- Doubling the per-child tax credit.
- Providing relief from the marriage penalty.
- Providing death tax relief.

The budget also could accommodate significant additional tax reduction—subject to the discretion of the Committee on Ways and Means—proposed by the President. These measures might include charitable deduction expansion; refundable tax credits for private health insurance; Education Savings Account expansion and other education provisions; Individual Retirement Account [IRA] increases and other pension reform; and permanent extension of the research and development [R&D] tax credit. The resolution allows for further tax reduction should the Congressional Budget Office's summer update indicate additional non-Social Security surpluses—which could allow for measures such as extension of Medical Savings Accounts, repeal of transportation deficit reduction fuel taxes, and reduction of the capital gains rate. It also assumes the revenue effect of a proposed reduction in fees levied by the Securities and Exchange Commission.

THE CONTEXT OF TAX REDUCTION

The Federal Government is collecting taxes at an unprecedented rate in peacetime—and consequently is running up substantial amounts of excess funds not needed for any Government purpose. Federal taxes will consume more than 20 percent of total income (gross domestic product [GDP]) throughout the 2002–2011 period, the highest rate since World War II. Just 8 years ago, in 1993, tax revenues were only 17.6 percent of GDP.

Most of the tax growth in the recent past and the projected future is from individual income taxes. In fiscal year 2000, individual income tax receipts increased by more than 14 percent, and at current rates these collections would reach 10.5 percent of GDP by 2011, their highest level ever. The two principal contributing factors were, and will continue to be: 1) rapid growth of taxable income, such as wages, interest, and business income; and 2) increases in the effective tax rate, because more of taxpayers' incomes fell into higher tax brackets. Both trends are projected to continue, although at slower rates.

Consequently, the Government will collect approximately $21.2 trillion in taxes, excluding Social Security, over the next 10 years. The budget proposes that taxpayers keep about 7.5 percent of this non-Social Security tax burden, or about 6 percent of total taxes. The Government then would collect the full $6.7 trillion for Social Security and another $19.6 trillion for the rest of Government. By comparison, the Federal Government collected $15.6 trillion in taxes over the previous 10 years (1992–2001).

Federal revenues will grow by 68 percent over 10 years after the tax cut (compared with 79 percent without tax reduction). The Federal Government will still collect $10.7 trillion more from taxpayers over the next 10 years after the tax relief package is enacted than it did over the previous 10 years.

This tax reduction plan still leaves ample resources for the following priorities:

- Fully protecting the Social Security and Medicare Hospital Insurance [HI] surpluses.
- Paying down all the debt held by the public that reasonably can be paid.
- Financing the President's initiatives in education, national defense, and elsewhere.
- Still leaving a cushion of about one-half trillion dollars in non-Social Security funds for other purposes.

ON-BUDGET REVENUES

[In billions of dollars]

	2001	2002	2002–2006	2002–2011
Total Revenues	1,624.7	1,635.8	8,779.4	19,556.5

REVENUE COMPARISONS

TABLE R1.—COMPARISON OF TOTAL BUDGET REVENUES FOR PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	Amount
Fiscal Year:	
1991 Actual	1,055.0
1992 Actual	1,091.3
1993 Actual	1,154.4
1994 Actual	1,258.6
1995 Actual	1,351.8
1996 Actual	1,453.1
1997 Actual	1,579.3
1998 Actual	1,721.8
1999 Actual	1,827.5
2000 Actual	2,025.2
Fiscal Year 2001:	
Administration's Request (February 2001)	2,136.9
Committee Level	2,128.8
Fiscal Year 2002:	
Administration's Request (February 2001)	2,190.5
Committee Level	2,168.1
Fiscal Year 2003:	
Administration's Request (February 2001)	2,258.1
Committee Level	2,259.9
Fiscal Year 2004:	
Administration's Request (February 2001)	2,338.6
Committee Level	2,344.4
Fiscal Year 2005:	
Administration's Request (February 2001)	2,436.3
Committee Level	2,436.8
Fiscal Year 2006:	
Administration's Request (February 2001)	2,527.8
Committee Level	2,521.4
Fiscal Year 2007:	
Administration's Request (February 2001)	2,643.2
Committee Level	2,628.5
Fiscal Year 2008:	
Administration's Request (February 2001)	2,770.3
Committee Level	2,754.2
Fiscal Year 2009:	
Administration's Request (February 2001)	2,905.1
Committee Level	2,889.6
Fiscal Year 2010:	
Administration's Request (February 2001)	3,058.9
Committee Level	3,038.6
Fiscal Year 2011:	
Administration's Request (February 2001)	3,233.1
Committee Level	3,206.2

TABLE R2.—COMPARISON OF ON-BUDGET REVENUES FOR PRESIDENT'S BUDGET AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	Amount
Fiscal Year:	
1991 Actual	761.2
1992 Actual	788.9
1993 Actual	842.5
1994 Actual	923.6
1995 Actual	1,000.8
1996 Actual	1,085.6
1997 Actual	1,187.3
1998 Actual	1,306.0
1999 Actual	1,383.0
2000 Actual	1,544.6
Fiscal Year 2001:	
Administration's Request (February 2001)	1,633.1
Committee Level	1,624.7
Fiscal Year 2002:	
Administration's Request (February 2001)	1,659.5
Committee Level	1,635.8
Fiscal Year 2003:	
Administration's Request (February 2001)	1,697.3
Committee Level	1,699.0
Fiscal Year 2004:	
Administration's Request (February 2001)	1,748.3
Committee Level	1,755.7
Fiscal Year 2005:	
Administration's Request (February 2001)	1,807.3
Committee Level	1,816.7
Fiscal Year 2006:	
Administration's Request (February 2001)	1,869.3
Committee Level	1,872.2
Fiscal Year 2007:	
Administration's Request (February 2001)	1,949.9
Committee Level	1,948.6
Fiscal Year 2008:	
Administration's Request (February 2001)	2,044.1
Committee Level	2,041.7
Fiscal Year 2009:	
Administration's Request (February 2001)	2,144.2
Committee Level	2,143.2
Fiscal Year 2010:	
Administration's Request (February 2001)	2,255.3
Committee Level	2,256.6
Fiscal Year 2011:	
Administration's Request (February 2001)	2,386.8
Committee Level	2,387.0

TABLE R3.—CBO BASELINE REVENUES BY SOURCE, IN BILLIONS OF DOLLARS, UNDER PAST AND CURRENT LAW

[Includes on- and off-budget revenues, fiscal years]

	1950	1960	1970	1980	1990	2000	Projected	
							2001	2002
Individual Income Tax	15.8	40.7	90.4	244.1	466.9	1,004.5	1,075.7	1,124.8
Corporate Income Tax	10.4	21.5	32.8	64.6	93.5	207.3	215.2	216.8
Social Insurance Tax and contributions	4.3	14.7	44.4	157.8	380.0	652.9	686.0	724.8
Excises	7.6	11.7	15.7	24.3	35.3	68.9	70.9	73.6
Estate and Gift taxes	0.7	1.6	3.6	6.4	11.5	29.0	29.6	31.9
Customs Duties	0.4	1.1	2.4	7.2	16.7	19.9	21.3	23.0
Miscellaneous Receipts	0.2	1.2	3.4	12.7	28.0	42.8	36.0	40.9
Total [1]	39.4	92.5	192.8	517.1	1,032.0	2,025.2	2,134.6	2,235.8
On-Budget Revenues	37.3	81.9	159.3	403.9	750.3	1,544.6	1,630.5	1,703.5
Off-Budget Revenues[2]	2.1	10.6	33.5	113.2	281.7	480.6	504.1	532.3

[1] Details may not sum to totals due to rounding.
[2] Social Security (OASDI) revenues.
Source: CBO March 2000 baseline revenues.

TABLE R4.—CBO BASELINE REVENUES BY SOURCE, AS PERCENT OF GDP, UNDER PAST AND CURRENT LAW

[Includes on- and off-budget revenues, fiscal years]

	1950	1960	1970	1980	1990	2000	Projected	
							2001	2002
Individual Income Tax	5.8	7.9	8.9	8.9	8.1	10.2	10.4	10.3
Corporate Income Tax	3.8	4.1	3.2	2.4	1.6	2.1	2.1	2.0
Social Insurance Tax and Contributions	1.6	2.8	4.4	5.8	6.6	6.6	6.6	6.7
Excises	2.8	2.3	1.5	0.9	0.6	0.7	0.7	0.7
Estate and Gift taxes	0.2	0.3	0.4	0.2	0.2	0.3	0.3	0.3
Customs Duties	0.1	0.2	0.2	0.3	0.3	0.2	0.2	0.2
Miscellaneous Receipts	0.1	0.2	0.3	0.5	0.5	0.4	0.3	0.4
Total [1]	14.4	17.8	19.0	18.9	18.0	20.6	20.7	20.5
On-Budget Revenues	13.6	15.8	15.7	14.8	13.1	15.7	15.8	15.7
Off-Budget Revenues[2]	0.8	2.1	3.3	4.1	4.9	4.9	4.9	4.9

[1] Details may not sum to totals due to rounding.
[2] Social Security (OASDI) revenues.
Source: CBO March 2000 baseline revenues.

TABLE R5.—COMPARISON OF TOTAL BUDGET REVENUES FOR CBO BASELINE AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	Amount
Fiscal Year:	
1991 Actual	1,055.0
1992 Actual	1,091.3
1993 Actual	1,154.4
1994 Actual	1,258.6
1995 Actual	1,351.8
1996 Actual	1,453.1
1997 Actual	1,579.3
1998 Actual	1,721.8
1999 Actual	1,827.5
2000 Actual	2,025.2
Fiscal Year 2001:	
CBO Projection (January 2001)	2,134.6
Committee Level	2,128.8
Fiscal Year 2002:	
CBO Projection (January 2001)	2,235.8
Committee Level	2,168.1
Fiscal Year 2003:	
CBO Projection (January 2001)	2,343.0
Committee Level	2,259.9
Fiscal Year 2004:	
CBO Projection (January 2001)	2,453.0
Committee Level	2,344.4
Fiscal Year 2005:	
CBO Projection (January 2001)	2,569.8
Committee Level	2,436.8
Fiscal Year 2006:	
CBO Projection (January 2001)	2,688.8
Committee Level	2,521.4
Fiscal Year 2007:	
CBO Projection (January 2001)	2,815.7
Committee Level	2,628.5
Fiscal Year 2008:	
CBO Projection (January 2001)	2,955.3
Committee Level	2,754.2
Fiscal Year 2009:	
CBO Projection (January 2001)	3,106.6
Committee Level	2,889.6
Fiscal Year 2010:	
CBO Projection (January 2001)	3,271.3
Committee Level	3,038.6
Fiscal Year 2011:	
CBO Projection (January 2001)	3,447.1
Committee Level	3,206.2

TABLE R6.—COMPARISON OF TOTAL BUDGET REVENUES, AS PERCENT OF GDP, FOR CBO BASELINE AND COMMITTEE RECOMMENDATION

	Percent
Fiscal Year:	
1991 Actual	17.8
1992 Actual	17.5
1993 Actual	17.6
1994 Actual	18.1
1995 Actual	18.5
1996 Actual	18.9
1997 Actual	19.3
1998 Actual	19.9
1999 Actual	20.0
2000 Actual	20.6
Fiscal Year 2001:	
CBO Projection (January 2001)	20.7
Committee Level	20.6
Fiscal Year 2002:	
CBO Projection (January 2001)	20.5
Committee Level	19.9
Fiscal Year 2003:	
CBO Projection (January 2001)	20.4
Committee Level	19.7
Fiscal Year 2004:	
CBO Projection (January 2001)	20.3
Committee Level	19.4
Fiscal Year 2005:	
CBO Projection (January 2001)	20.3
Committee Level	19.3
Fiscal Year 2006:	
CBO Projection (January 2001)	20.2
Committee Level	19.0
Fiscal Year 2007:	
CBO Projection (January 2001)	20.2
Committee Level	18.9
Fiscal Year 2008:	
CBO Projection (January 2001)	20.2
Committee Level	18.8
Fiscal Year 2009:	
CBO Projection (January 2001)	20.3
Committee Level	18.8
Fiscal Year 2010:	
CBO Projection (January 2001)	20.3
Committee Level	18.9
Fiscal Year 2011:	
CBO Projection (January 2001)	20.4
Committee Level	18.9

Table R–7.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2001–2005*

[Billions of dollars]

Function	Corporations					Individuals					Total 2001–05
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005	
National Defense											
Exclusion of benefits and allowances to Armed Forces personnel						1.9	2.0	2.0	2.0	2.0	9.9
Exclusion of military disability benefits						0.1	0.1	0.1	0.1	0.1	0.5
International Affairs											
Exclusion of income earned abroad by U.S. citizens						2.4	2.5	2.7	2.9	3.0	13.5
Exclusion of certain allowances for Federal employees abroad						0.2	0.2	0.3	0.3	0.3	1.3
Exclusion of extraterritorial income	4.4	4.7	5.1	5.5	5.9						25.6
Deferral of active income of controlled foreign corporations	3.7	4.0	4.2	4.5	4.8						21.2
Inventory property sales source rule exception	4.5	4.8	5.2	5.6	6.0						26.1
Deferral of certain financing income	0.9	0.5	0.1								1.5
General Science, Space, and Technology											
Tax credit for qualified research expenditures	3.3	3.4	3.6	3.0	1.8						15.0
Expensing of research and experimental expenditures	2.9	2.6	2.5	2.5	2.5						13.0
Energy											
Expensing of exploration and development costs:											
Oil and gas	0.6	0.6	0.6	0.4	0.3	(1)	(1)	(1)	(1)	(1)	3.1
Other fuels	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Excess of percentage over cost depletion:											
Oil and gas	0.3	0.3	0.3	0.3	0.4	(1)	(1)	(1)	(1)	(1)	1.7
Other fuels	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Tax credit for enhanced oil recovery costs	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Tax credit for production of non-conventional fuels	1.2	1.3	0.8	0.5	0.5	0.3	0.3	0.2	0.1	0.1	5.3
Tax credits for alcohol fuels [2]	(1)	(1)	(1)	(1)	(1)						(1)

Exclusion of interest on State and local government industrial development bonds for energy production facilities	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.7
Exclusion of energy conservation subsidies provided by public utilities	....	....	....	....	....	[1]	[1]	[1]	[1]	[1]	0.1
Tax credit for investments in solar and geothermal energy facilities	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Tax credit for electricity production from wind, biomass, and poultry waste	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.4
Natural Resources and Environment											
Expensing of exploration and development costs, nonfuel minerals	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Excess of percentage over cost depletion, nonfuel minerals	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
Expensing of multiperiod timber-growing costs	0.2	0.2	0.2	0.2	0.2	[1]	[1]	[1]	[1]	[1]	1.0
Exclusion of interest on State and local government sewage, water, and hazardous waste facilities bonds	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.4	2.9
Special rules for mining reclamation reserves	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Special tax rate for nuclear decommissioning reserve fund	0.1	0.2	0.2	0.2	0.2	....	....	....	....	....	0.9
Exclusion of contributions in aid of construction for water and sewer utilities	[1]	[1]	[1]	[1]	[1]	....	....	....	....	....	0.1
Agriculture											
Expensing of soil and water conservation expenditures	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Expensing of fertilizer and soil conditioner costs	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.3
Expensing of the costs of raising dairy and breeding cattle	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Exclusion of cost-sharing payments	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Exclusion of cancellation of indebtedness income of farmers	....	....	....	....	....	[1]	[1]	[1]	[1]	[1]	0.2
Cash accounting for agriculture	[1]	[1]	[1]	[1]	[1]	0.3	0.4	0.4	0.4	0.5	2.2
Income averaging for farmers	....	....	....	....	....	[1]	[1]	[1]	[1]	[1]	0.1
Five-year carryback period for net operating losses attributable to farming	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Commerce and Housing											
Financial institutions:											
Exemption of credit union income	0.7	0.7	0.8	0.8	0.8	....	....	....	....	....	3.9

Table R–7.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2001–2005*—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2001–05
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005	
Insurance companies:											
Exclusion of investment income on life insurance and annuity contracts	1.3	1.3	1.4	1.4	1.5	23.0	23.6	24.2	24.9	25.5	128.2
Small life insurance company taxable income adjustment	0.1	0.1	0.1	0.1	0.1	....	....	....	....	....	0.7
Special treatment of life insurance company reserves	1.2	1.2	1.3	1.3	1.4	....	....	....	....	....	6.4
Deduction of unpaid property loss reserves for property and casualty insurance companies	2.9	2.9	3.0	3.0	3.1	....	....	....	....	....	14.9
Special deduction for Blue Cross and Blue Shield companies	0.1	0.1	0.1	0.1	0.1	....	....	....	....	....	0.5
Housing:											
Deduction for mortgage interest on owner-occupied residences	....	....	....	....	....	62.7	66.0	69.1	72.4	76.1	346.3
Deduction for property taxes on owner-occupied residences	....	....	....	....	....	21.0	21.6	22.3	23.0	23.6	111.6
Exclusion of capital gains on sales of principal residences	....	....	....	....	....	13.3	13.4	13.5	13.6	13.8	67.6
Exclusion of interest on State and local government bonds for owner-occupied housing	0.3	0.3	0.3	0.3	0.3	0.8	0.8	0.8	0.7	0.7	5.4
Exclusion of interest on State and local government bonds for rental housing	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	1.1
Depreciation of rental housing in excess of alternative depreciation system	0.3	0.3	0.3	0.3	0.3	2.5	2.6	2.8	3.0	3.3	15.9
Tax credit for low-income housing	2.7	2.7	2.9	3.0	3.2	1.1	1.2	1.2	1.3	1.4	20.8
Tax credit for first-time homebuyers in the District of Columbia	....	....	....	....	....	(1)	(1)	(1)	....	....	(1)
Tax credit for rehabilitation of historic structures	0.3	0.4	0.4	0.4	0.4	0.1	0.1	0.1	0.1	0.1	2.3
Other business and commerce:											
Reduced rates of tax on long-term capital gains	....	....	....	....	....	38.7	40.6	41.8	43.1	44.9	209.1

Exclusion of capital gains at death	....	....	....	....	....	26.0	27.6	29.5	30.9	35.1	149.1
Carryover basis of capital gains on gifts	....	....	....	....	....	2.6	2.8	3.1	3.4	3.6	15.5
Deferral of gain on non-dealer installment sales	0.6	0.6	0.6	0.6	0.7	0.4	0.4	0.4	0.4	0.4	5.2
Deferral of gain on like-kind exchanges	1.2	1.3	1.4	1.4	1.5	0.4	0.4	0.4	0.5	0.5	9.0
Deferral of gain on involuntary conversions resulting from Presidentially-declared disasters	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	0.1
Depreciation of buildings other than rental housing in excess of alternative depreciation system	1.2	1.2	1.1	0.9	0.8	0.5	0.5	0.4	0.4	0.3	7.4
Depreciation of equipment in excess of alternative depreciation system	27.7	30.3	31.1	30.5	29.8	7.5	8.2	8.4	8.1	7.7	189.2
Expensing of depreciable business property	0.3	0.3	0.2	0.1	(1)	1.2	1.2	0.7	0.4	0.2	4.7
Amortization of business startup costs	(1)	(1)	(1)	(1)	(1)	0.4	0.4	0.4	0.4	0.4	2.0
Reduced rates on first $10,000,000 of corporate taxable income	4.3	4.4	4.5	4.6	4.7	....	....	....	....	....	22.4
Permanent exemption from imputed interest rules	(1)	(1)	(1)	(1)	(1)	0.2	0.2	0.3	0.3	0.3	1.3
Expensing of magazine circulation expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Special rules for magazine, paperback book, and record returns	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Completed contract rules	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.1
Cash accounting, other than agriculture	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.5
Exclusion of interest on State and local government small-issue industrial development bonds	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	1.9
Exception from net operating loss limitations for corporations in bankruptcy proceedings	0.5	0.5	0.5	0.5	0.5	....	....	....	....	....	2.5
Tax credit for employer-paid FICA taxes on tips	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.6
Transportation											
Deferral of tax on capital construction funds of shipping companies	0.1	0.1	0.1	0.1	0.1	....	....	....	....	....	0.5
Exclusion of employer-paid transportation benefits	....	....	....	....	....	3.6	3.7	3.7	3.8	3.8	18.6
Exclusion of interest on State and local government bonds for high-speed rail	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.5

Table R–7.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2001–2005*—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2001–05
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005	
Community and Regional Development											
Empowerment zone tax incentives	0.1	0.2	0.3	0.3	0.3	0.1	0.3	0.4	0.4	0.4	2.8
Renewal community tax incentives	....	0.1	0.1	0.1	0.2	....	0.3	0.4	0.4	0.4	2.0
New markets tax credit	(1)	(1)	0.1	0.1	0.2	(1)	(1)	0.1	0.1	0.2	0.8
District of Columbia tax incentives	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.5
Indian reservation tax incentives	0.2	0.2	0.2	0.1	(1)	0.1	0.1	0.1	0.1	(1)	1.1
Expensing of environmental remediation costs (“Brownfields”)	(1)	(1)	0.1	0.1	(1)	(1)	0.1	0.1	0.1	(1)	0.7
Tax credit for rehabilitation of structures, other than historic structures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of interest on State and local government bonds for private airports, docks, and mass-commuting facilities	0.2	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	3.6
Education, Training, Employment, and Social Services											
Education and training:											
Tax credits for tuition for post-secondary education	....	....	....	....	....	4.2	4.3	4.3	4.3	4.3	21.4
Deduction for interest on student loans	....	....	....	....	....	0.4	0.4	0.4	0.5	0.5	2.2
Exclusion of earnings of trust accounts for higher education (“education IRAs”)	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	0.2
Exclusion of interest on educational savings bonds	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	0.1
Deferral of tax on earnings of qualified State tuition programs	....	....	....	....	....	0.1	0.1	0.1	0.1	0.2	0.6
Exclusion of scholarship and fellowship income	....	....	....	....	....	1.2	1.3	1.4	1.5	1.5	6.9
Exclusion of employer-provided education assistance benefits	....	....	....	....	....	0.4	0.1	....	....	....	0.5
Parental personal exemption for students age 19 to 23	....	....	....	....	....	0.8	0.8	0.8	0.8	0.8	4.0

Exclusion of interest on State and local government student loan bonds	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.2	0.2	0.2	1.7
Exclusion of interest on State and local government bonds for private nonprofit educational facilities	0.3	0.3	0.2	0.2	0.2	0.7	0.7	0.6	0.6	0.6	4.5
Tax credit for holders of qualified zone academy bonds	[1]	[1]	0.1	0.1	0.1	....	....	....	....	....	0.3
Deduction for charitable contributions to educational institutions	0.9	1.0	1.1	1.2	1.3	4.2	4.4	4.6	4.8	5.1	28.6
Employment:											
Exclusion of employee meals and lodging (other than military)	....	....	....	....	....	0.8	0.8	0.9	0.9	0.9	4.3
Exclusion of benefits provided under cafeteria plans [3]	....	....	....	....	....	9.0	9.6	10.2	10.8	11.5	51.2
Exclusion of housing allowances for ministers	....	....	....	....	....	0.4	0.4	0.4	0.4	0.5	2.1
Exclusion of miscellaneous fringe benefits	....	....	....	....	....	7.3	7.9	8.4	9.0	9.7	42.3
Exclusion of employee awards	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.7
Exclusion of income earned by voluntary employees' beneficiary associations	....	....	....	....	....	1.5	1.6	1.7	1.7	1.8	8.3
Special tax provisions for employee stock ownership plans (ESOPs)	0.8	0.9	0.9	0.9	0.9	0.2	0.2	0.2	0.3	0.3	5.7
Work opportunity tax credit	0.4	0.3	0.1	0.1	[1]	0.1	0.1	[1]	[1]	....	1.0
Welfare-to-work tax credit	0.1	0.1	[1]	[1]	[1]	[1]	[1]	[1]	[1]	....	0.3
Social services:											
Tax credit for children under age 17 [4]	....	....	....	....	....	19.1	18.7	18.3	17.9	17.4	91.4
Tax credit for child and dependent care expenses	....	....	....	....	....	2.4	2.4	2.3	2.2	2.2	11.6
Exclusion of employer-provided child care [5]	....	....	....	....	....	0.5	0.6	0.6	0.6	0.7	3.0
Exclusion of certain foster care payments	....	....	....	....	....	0.5	0.5	0.5	0.6	0.6	2.6
Adoption credit and employee adoption benefits exclusion	....	....	....	....	....	0.2	0.1	[1]	[1]	[1]	0.4
Deduction for charitable contributions, other than for education and health	1.6	1.7	1.9	2.1	2.2	22.6	23.8	25.0	26.3	27.5	134.7
Tax credit for disabled access expenditures	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.4
Health											
Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums [6]	....	....	....	....	....	65.7	70.4	74.7	79.2	84.1	374.0

Table R–7.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2001–2005*—Continued

[Billions of dollars]

Function	Corporations 2001	Corporations 2002	Corporations 2003	Corporations 2004	Corporations 2005	Individuals 2001	Individuals 2002	Individuals 2003	Individuals 2004	Individuals 2005	Total 2001–05
Exclusion of medical care and CHAMPUS/TRICARE medical insurance for military dependents, retirees, and retiree dependents	....	....	....	....	....	1.6	1.6	1.6	1.6	1.7	8.1
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed	....	....	....	....	....	1.4	1.6	2.5	2.9	3.0	11.4
Deduction for medical expenses and long-term care expenses	....	....	....	....	....	5.1	5.4	5.6	6.0	6.3	28.3
Exclusion of workers' compensation benefits (medical benefits)	....	....	....	....	....	4.7	4.9	5.1	5.4	5.6	25.7
Medical savings accounts	....	....	....	....	....	([1])	([1])	([1])	([1])	([1])	0.1
Exclusion of interest on State and local government bonds for private nonprofit hospital facilities	0.4	0.4	0.4	0.4	0.4	1.1	1.1	1.0	1.0	1.0	7.3
Deduction for charitable contributions to health organizations	0.9	1.0	1.0	1.1	1.2	2.9	3.1	3.2	3.4	3.5	21.3
Tax credit for orphan drug research	0.1	0.1	0.1	0.1	0.1	....	....	....	....	....	0.5
Medicare											
Exclusion of untaxed Medicare benefits:											
Hospital insurance	....	....	....	....	....	16.1	17.1	18.3	19.7	21.5	92.7
Supplementary medical insurance	....	....	....	....	....	9.1	10.0	11.0	12.1	13.2	55.4
Income Security											
Exclusion of workers' compensation benefits (disability and survivors payments)	....	....	....	....	....	5.2	5.5	5.7	5.9	6.1	28.4
Exclusion of special benefits for disabled coal miners	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.4
Exclusion of cash public assistance benefits	....	....	....	....	....	0.7	0.7	0.8	0.8	0.8	3.7
Net exclusion of pension contributions and earnings:											
Employer plans	....	....	....	....	....	85.0	84.1	82.4	83.9	87.4	422.8
Individual retirement plans	....	....	....	....	....	13.3	13.7	13.8	14.4	15.6	70.8
Keogh plans	....	....	....	....	....	5.5	5.5	5.3	5.2	5.4	27.0

Exclusion of other employee benefits:											
Premiums on group term life insurance						2.1	2.2	2.3	2.4	2.5	11.5
Premiums on accident and disability insurance						2.2	2.3	2.4	2.6	2.7	12.3
Additional standard deduction for the blind and the elderly						2.1	2.2	2.3	2.4	2.5	11.7
Tax credit for the elderly and disabled						(1)	(1)	(1)	(1)	(1)	0.1
Deduction for casualty and theft losses						0.2	0.2	0.2	0.2	0.2	1.1
Earned income credit (EIC) [7]						4.2	4.3	4.3	4.4	4.5	21.6
Social Security and Railroad Retirement											
Exclusion of untaxed social security and railroad retirement benefits						24.9	25.6	26.6	27.6	28.4	133.1
Veterans' Benefits and Services											
Exclusion of veterans' disability compensation						2.2	2.3	2.4	2.4	2.5	11.8
Exclusion of veterans' pensions						0.1	0.1	0.1	0.1	0.1	0.6
Exclusion and veterans' readjustment benefits						0.1	0.1	0.1	0.1	0.1	0.7
Exclusion of interest on State and local government bonds for veterans' housing	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
General Purpose Fiscal Assistance											
Exclusion of interest on public purpose State and local government debt	6.6	6.6	6.2	6.0	6.1	17.1	17.1	16.0	15.5	15.7	113.0
Deduction of nonbusiness State and local government income and personal property taxes						40.0	41.4	43.0	44.4	46.1	214.9
Tax credit for Puerto Rico and possession income, and Puerto Rico economic activity	4.0	3.6	3.2	3.0	2.8						16.6
Interest											
Deferral of interest on savings bonds						1.6	1.6	1.6	1.6	1.6	8.0

*The determination of whether a provision is a tax expenditure is made on the basis of a broad concept of income that is larger in scope than "income" as defined under general U.S. income tax principles. For that reason, Table 1 includes for example an estimate for the exclusion of extraterritorial income, as well as other exclusions, notwithstanding that such exclusions define income under the general rule of U.S. income taxation.

[1] Positive tax expenditure of less than $50 million.

[2] In addition, the exemption from excise tax for alcohol fuels results in a reduction in excise tax receipts, net of income tax effect, of $0.6 billion per year in fiscal years 2001 through 2005.

[3] Estimate includes amounts of employer-provided health insurance purchased through cafeteria plans and employee-provided child care purchased through dependent care flexible spending accounts. These amounts are also included in other line items in this table.

[4] The figures in the table show the effect of the child credit on receipts. The increase in outlays is: $0.8 billion in 2001, $0.8 billion in 2002, $0.8 billion in 2003, $0.8 billion in 2004, and $0.8 billion in 2005.

[5] Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.

[6] Estimate includes employer-provided health insurance purchased through cafeteria plans.
[7] The figures in the table show the effect of the earned income credit on receipts. The increase in outlays is: $25.8 billion in 2001, $26.4 billion in 2002, $26.7 billion in 2003, $27.2 billion in 2004, and $27.8 billion in 2005.

Note.—Details may not add to totals due to rounding.

Source: Joint Committee on Taxation.

FUNCTION 050: NATIONAL DEFENSE

FUNCTION SUMMARY

The National Defense function includes funds to develop, maintain, and equip the military forces of the United States. More than 95 percent of the funding in this function goes to Department of Defense-military activities, including funds for ballistic missile defense. That component also includes pay and benefits for military and civilian personnel; research, development, testing, and evaluation; procurement of weapons systems; military construction and family housing; and operations and maintenance of the defense establishment. The remaining funding in the function goes toward atomic energy defense activities of the Department of Energy, and other defense-related activities.

After declining by 11.2 percent from 1990 through 1997, the defense budget increased by an average annual rate of 4.6 percent from 1998 through 2001, reaching $310.3 billion. This increase occurred because Congress added $34.4 billion to the defense requests of the previous administration. The most rapid increases during that period were in procurement, which grew from $44.8 billion to $59.3 billion, a 9.8-percent average annual increase—reflecting the need to replace aging weapons bought in the 1970s and 1980s, and to reverse the sharp decline in procurement spending that occurred during the early and mid-1990s.

Nevertheless, the increases could not catch up with the mounting readiness and retention shortfalls that remained—especially following the open-ended peacekeeping operations and uncertain budget priorities of the 1993–2000 period.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $324.6 billion in budget authority [BA] and $319.3 billion in outlays in fiscal year 2002, an increase of 4.5 percent in BA compared with 2001. The function totals are $1.71 trillion in BA and $1.68 trillion in outlays over 5 years, and $3.68 trillion in BA and $3.61 trillion in outlays over 10 years.

For fiscal year 2002 discretionary spending, the resolution calls for $324.9 billion in BA and $319.7 billion in outlays. The 5-year discretionary spending totals are $1.72 trillion in BA and $1.68 trillion in outlays. The 10-year discretionary spending totals are $3.69 trillion in BA and $3.61 trillion in outlays.

Mandatory spending in this function is –$384 million in BA and –$407 million in outlays in fiscal year 2002; –$1.1 billion in BA and outlays over 5 years; and $2.1 billion in BA and –$2.2 billion in outlays over 10 years. Mandatory totals appear as negative numbers because they represent receipts to the Government from trust funds, stock fund sales, and the like.

Quality of life for armed forces personnel remains a priority. Funding in the resolution accommodates the President's proposal to increase military pay and other compensation by $1.4 billion in 2002. The pay raise is set at the Economic Cost Index plus 0.5 percent. The resolution assumes an additional $400 million to improve the quality of housing for military personnel and their families.

The resolution also provides $3.9 billion for the first year of expanded health benefits for over-65 military retirees.

The resolution also includes a $2.6-billion initiative ($20 billion over 5 years) to fund research and development of new technologies. The Department of Defense intends to apply this funding to create new capabilities to defend against projected future threats, following a comprehensive review by the Secretary of Defense to assess national security needs.

The resolution permits the Chairman to adjust the budget authority level for fiscal year 2002 not later than 25 July 2001 if a bill incorporating the recommendations of the President's National Defense Review is reported to the House by 11 July 2001. The Chairman may also adjust the budget authority level for fiscal year 2001 at any time to reflect reported legislation to eliminate shortfalls in the Department of Defense.

FUNCTION 050: NATIONAL DEFENSE

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	324.6	1,714.7	3,684.0
Outlays	319.3	1,680.6	3,611.5

FUNCTION 150: INTERNATIONAL AFFAIRS

FUNCTION SUMMARY

Funds distributed through the International Affairs function provide for international development and humanitarian assistance, such as the Child Survival and Disease Programs Fund; international security assistance, including economic and military assistance to Israel and Egypt; international narcotics control and law enforcement; the conduct of foreign affairs, including embassies and other diplomatic missions abroad; foreign information and exchange activities; and international financial programs, including Export-Import Bank activities. The major departments and agencies in this function include the Department of State, the Department of the Treasury, the Agency for International Development, and the Broadcasting Board of Governors.

Over the period 1998–2001, total budget authority [BA] in Function 150 rose from $14.8 billion to $18.6 billion, an 8.1 percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $23.9 billion in budget authority [BA] and $19.6 billion in outlays in fiscal year 2002, an increase of 6.4 percent in BA compared with 2001. The function totals are $123.8 billion in BA and $102.0 billion in outlays over 5 years, and $264.2 billion in BA and $219.7 billion in outlays over 10 years.

For discretionary spending, the resolution calls for $23.9 billion in BA and $23.2 billion in outlays in fiscal year 2002. The 5-year discretionary spending totals are $123.3 billion in BA and $119.9 billion in outlays. The 10-year discretionary spending totals are $263.3 billion in BA and $254.2 billion in outlays. Mandatory spending in this function is $8 million in BA and –$3.6 billion in outlays in fiscal year 2002; $458 million in BA and –$17.8 billion in outlays over 5 years; and $1 billion in BA and –$34.5 billion in outlays over 10 years. The negative outlays result primarily from interest income earned on U.S. Government securities held by the Exchange Stabilization Fund and the liquidation of obligations made prior to the enactment of the Federal Credit Reform Act of 1992.

The worldwide operations of the Department of State remains a priority. Funding in this resolution accommodates the President's proposal to increase Administration of Foreign Affairs funding by $888 million above the 2001 level, to a total of $5.7 billion for fiscal year 2002.

The resolution accommodates the President's request to increase military assistance to Israel by $60 million. In addition, to maintain and expand programs to stem the flow of cocaine and heroin from Colombia and its Andean neighbors, the budget assumes the President's $624-million increase for international narcotics control and law enforcement. The resolution also assumes sufficient resources for the Tropical Forest Conservation Act [TFCA].

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	23.9	123.8	264.2
Outlays	19.6	102.0	219.7

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

FUNCTION SUMMARY

The General Science, Space, and Technology function consists of funds in two major categories: general science and basic research; and space flight, research, and supporting activities. The general science component includes the budgets for the National Science Foundation [NSF], and the high-energy and nuclear physics research programs of the Department of Energy [DOE]. But the largest component of the function is for space flight, research, and supporting activities of the National Aeronautics and Space Administration [NASA] (except for NASA's air transportation programs, which are included in Function 400).

Over the period 1998–2001, total budget authority [BA] in Function 250 rose from $17.9 billion to $20.9 billion, a 4.1 percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $22.2 billion in budget authority [BA] and $21.0 billion in outlays in fiscal year 2002, an increase of 5.7 percent in BA compared with 2001. The function totals are $115.9 billion in BA and $112.4 billion in outlays over 5 years, and $247.1 billion in BA and $240.2 billion in outlays over 10 years.

For discretionary spending, the resolution calls for $22.0 billion in BA and $21.0 billion in outlays in fiscal year 2002. The 5-year discretionary spending totals are $115.4 billion in BA and $111.8 billion in outlays. The 10-year discretionary spending totals are $246.4 billion in BA and $239.4 billion in outlays. Mandatory spending in this function is $163 million in BA and $75 million in outlays in fiscal year 2002; $456 million in BA and $600 million in outlays over 5 years; and $662 million in BA and $820 million in outlays over 10 years.

The budget accommodates the following priorities identified in the President's proposal:

- *National Science Foundation [NSF]:* The resolution assumes $4.5 billion for the National Science Foundation [NSF], a $56-million increase from 2001. This total includes $1.5 billion for new research and education awards in 2002, funding nearly 10,000 new competitively reviewed awards. Among these are $200 million to begin the President's Math and Science Partnership initiative, which provides States with funds to join with institutions of higher learning in strengthening math and science education in grades K-12; and $20 million for multi-disciplinary mathematics research, aimed at transferring the results of mathematical research to the science and engineering disciplines.
- *National Aeronautics and Space Administration [NASA]:* The budget provides $14.5 billion for NASA, a 2-percent increase over 2001. This total allows for the President's recommendations, including increased funds for International Space Station

development and operations consistent with a strategy of constraining Space Station cost growth; a 64-percent increase over 2001 for NASA's Space Launch Initiative, helping to meet the launching needs of commercial industry and dramatically reducing space transportation costs while improving safety and reliability; six space shuttle flights per year; and continued funding for safety improvements within NASA to establish safety investment priorities.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	22.2	115.9	247.1
Outlays	21.0	112.4	240.2

FUNCTION 270: ENERGY

FUNCTION SUMMARY

The Energy function reflects civilian activities in the Department of Energy. Through this function, spending is provided for energy supply programs, such as solar and renewable research at the Department of Energy; rural electricity and telecommunications loans, administered through the Department of Agriculture; electric power generation and transmission programs of the Power Marketing Administrations (the Southeastern Power Administration, the Southwestern Power Administration, the Western Area Power Administration, and the Bonneville Power Administration); and power generation and transmission programs of the Tennessee Valley Authority [TVA]. This function also provides funds for energy conservation programs; emergency energy preparedness (mainly the Strategic Petroleum Reserve); and energy information, policy, and regulation programs, including spending by the Office of the Secretary of Energy and the operations of the Nuclear Regulatory Commission, which oversees the nuclear power industry.

Government spending in this function peaked in 1981, then began declining with oil industry deregulation. In recent years, energy supply spending has been shifted to the defense and general science functions. Offsetting receipts often exceed expenditures, resulting in negative budget authority and/or negative outlays.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $835 million in budget authority [BA] and –$234 million in outlays in fiscal year 2002, a decrease of 33 percent in BA compared with 2001. The 5-year function totals are $4.4 billion in BA and –$2.2 billion in outlays; and the 10-year totals are $14.5 billion in BA and $598 million in outlays.

For discretionary spending, the resolution calls for $2.8 billion in BA and $2.9 billion in outlays in fiscal year 2002; $14.8 billion in BA and $14.7 billion in outlays over 5 years; and $34.3 billion in BA and $33.6 billion in outlays over 10 years. Mandatory spending is –$1.9 billion in BA and –$3.2 billion in outlays in fiscal year 2002; –$10.3 billion in BA and –$16.9 billion in outlays over 5 years; and –$19.8 billion in BA and –$33.0 billion in outlays over 10 years.

The resolution assumes the following proposals by the President:

- A total of $1.4 billion over 10 years (a $120-million increase) for the Department of Energy's Weatherization Assistance Program to help low-income families who live in poorly insulated housing or have insufficient heating or cooling systems.
- A total of $8 million to support the Northeast Heating Oil Reserve that was established because of low heating oil stocks.

Finally, in light of past management and security problems, the resolution supports the President's efforts to reform the Department of Energy.

FUNCTION 270: ENERGY

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	0.835	4.4	14.5
Outlays	–0.234	–2.2	0.598

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

FUNCTION SUMMARY

Funds distributed through this function are intended to develop, manage, and maintain the Nation's natural resources, and to promote a clean environment. Funding is provided for water resources, conservation and land management, recreational resources, pollution control and abatement, and other natural resources. The major departments and agencies in this function are the Department of the Interior, including the National Park Service, the Bureau of Land Management, the Bureau of Reclamation, and the Fish and Wildlife Service; certain agencies in the Department of Agriculture, including principally the Forest Service; the National Oceanic and Atmospheric Administration [NOAA], in the Department of Commerce; the Army Corps of Engineers; and the Environmental Protection Agency [EPA].

Over the period 1998–2001, total budget authority [BA] in Function 300 rose from $24.3 billion to $28.8 billion, a 4.6-percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $26.7 billion in budget authority [BA] and 26.4 billion in outlays in fiscal year 2002, an decrease of 7.3 percent in BA compared with 2001. The 5-year function totals are $137.1 billion in BA and $136.3 billion in outlays; and the 10-year totals are $289.3 billion in BA and 285.3 billion in outlays.

For discretionary spending, the resolution calls for $26.4 billion in BA and $26.2 billion in outlays in fiscal year 2002; $134.8 billion in BA and $134.3 billion in outlays over 5 years; and $283.0 billion in BA and $279.5 billion in outlays over 10 years. Mandatory spending is $296 million in BA and $245 million in outlays in fiscal year 2002; $2.3 billion in BA and $2.0 billion in outlays over 5 years; and $6.3 billion in BA and $5.8 billion in outlays over 10 years.

Included in the resolution's assumptions are the following recommendations by the President:

- Fully funding the Land and Water Conservation [LWC] Fund at $900 million starting in 2002, an increase of $356 million over 2001. This funding, which comes from receipts for oil and gas drilling primarily on the Outer Continental Shelf, is used by Federal and State governments for local conservation projects, natural resource protection, and outdoor recreation. This is the highest LWC budget request in history.
- An addition of $440 million in 2002 as a down payment on eliminating the National Park Service's deferred maintenance backlog, currently pegged at $4.9 billion. This is a 30-percent increase in park maintenance funds over 2001.
- An additional $20 million for the National Parks to accelerate biological resource inventories, control non-native species, and

preserve endangered and threatened species habitat on park lands.

- More than $1 billion in EPA grants for States and tribes to administer environmental programs, the highest level in the EPA's history.
- A total of $3.7 billion in funding for the EPA's Operating Program, which comprises the agency's core regulatory, research, and enforcement activities. This is the second highest level of funding for the program ever, and higher than 2001 if unrequested projects are excluded.
- A level of wastewater grants to States $500 million higher than requested by the previous administration for 2001. The President has recommended directing a portion of these funds to newly authorized sewer overflow control grants.
- A continued high level of funding for the wildland fire program to reduce fire risk and minimize the damage of wildfires.
- Implementation of five recently authorized Indian land and water settlements in California, Colorado, Michigan, New Mexico, and Utah.
- A substantial reduction in the backlog of school repairs and maintenance in the Bureau of Indian Affairs, with the goal of eliminating the backlog within 5 years. The resolution also assumes funding for the replacement of six dilapidated schools on Indian reservations.
- Increased funding for the Army Corps of Engineers program evaluating proposed development in wetlands.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	26.7	137.1	289.3
Outlays	26.4	136.3	285.3

FUNCTION 350: AGRICULTURE

FUNCTION SUMMARY

The Agriculture function includes funds for direct assistance and loans to food and fiber producers, export assistance, market information and inspection services, and agricultural research and services. Farm policy is driven by the Federal Agricultural Improvement and Reform [FAIR] Act of 1996, which gave farmers flexibility to make planting decisions based on market conditions, not Government directives. The act terminated Depression-era production control programs and provided a market transition into the 21st century.

Over the period 1998–2001, total budget authority [BA] in Function 350, excluding emergency funding, rose from $12.7 billion in fiscal year 1998 to $20.7 billion in fiscal year 2001, a 17.7-percent average annual increase. A total of $27 billion in additional emergency funding was provided in fiscal years 1999 through 2001, principally to address the impact of historically low commodity prices on producers or to remedy the effects of natural disasters such as last year's forest fires. It should also be noted, however, that certain components of the broader policy envisioned under the FAIR Act—such as deregulation, tax relief, and the expansion of overseas markets—were unfulfilled by the previous administration.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The budget seeks to help farmers compete in the world marketplace, as well as to maintain competitive markets at home. Another priority is providing farmers and ranchers with a strong safety net and a means to manage economic downturns.

The proposed repeal of the death tax—a potential part of the tax reduction assumed in this budget—would be vitally important to the Nation's farmers and ranchers. Individuals, family partnerships, or family corporations own 99 percent of U.S. farms. The death tax can destroy family-owned farms and ranches when it forces farmers and ranchers to sell land, buildings, or equipment to pay the Government after the death of a benefactor.

In terms of spending in this function, the budget resolution provides $19.1 billion in budget authority [BA] in fiscal year 2002, and $17.5 billion in outlays. The resolution permits the Chairman to adjust the budget authority level for fiscal year 2002 not later than 25 July 2001 if a bill to reauthorize title I of the FAIR Act is reported to the House by 11 July 2001. The Chairman also may adjust the budget authority level for fiscal year 2001 at any time to reflect reported legislation for assistance to program and specialty crops. The 5-year function totals are $92.5 billion in BA and $84.7 billion in outlays; and the 10-year totals are $172.5 billion in BA and $157.3 billion in outlays.

For discretionary spending, the resolution calls for $4.8 billion in BA and outlays in fiscal year 2002; $25.9 billion in BA and $25.6 billion in outlays over 5 years; and $55.4 billion in BA and $54.6 billion in outlays over 10 years. Mandatory spending is $14.3 billion in BA and $12.7 billion in outlays in fiscal year 2002; $66.5

billion in BA and $59.1 billion in outlays over 5 years; and $117.1 billion in BA and $102.7 billion in outlays over 10 years.

The resolution assumes the President's recommendation to fund Department of Agriculture [USDA] bureaus in general at or above the 2001 enacted level, not including the one-time emergency funding and unrequested projects provided in 2001. In addition, the resolution supports the President's proposal to redirect funds for the continued implementation of other major initiatives, including crop insurance reform.

The budget also assumes the following presidential recommendations:

- Support of USDA food safety activities, including providing 7,600 meat and poultry inspectors.
- Allocation of conservation assistance to 650,000 landowners, farmers, and ranchers.
- Maintaining funding for priority activities in the Forest Service's wildland fire management plan, including hazardous fuels reduction.
- Redirecting USDA research to provide new emphasis in key areas such as biotechnology, the development of new agricultural products, and improved protection against emerging exotic plant and animal diseases as well as crop and animal pests.
- Expanding overseas markets for American agricultural products by strengthening USDA's market intelligence capabilities and the Department's expertise for resolving technical trade issues with foreign trading partners.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	19.1	92.5	172.5
Outlays	17.5	84.7	157.3

FUNCTION 370: COMMERCE AND HOUSING CREDIT

FUNCTION SUMMARY

The mortgage credit component of this function includes housing assistance through the Federal Housing Administration [FHA], the Federal National Mortgage Association [Fannie Mae], the Federal Home Loan Mortgage Corporation [Freddie Mac], the Government National Mortgage Association [Ginnie Mae], and rural housing programs of the Department of Agriculture. The function also includes net postal service spending and spending for deposit insurance activities of banks, thrifts, and credit unions; the Commerce Department's International Trade Administration, Bureau of Economic Analysis, Patent and Trademark Administration, National Institute of Standards and Technology, the National Telecommunications and Information Administration, and the Bureau of the Census; and independent agencies such as the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the Federal Communications Commission.

Over the period 1998–2001, the deposit insurance funds, the Bank Insurance Fund and Savings Association Insurance Fund, became fully capitalized, resulting in reduced receipts to the Government from bank and savings institution deposit insurance premium payments. Additionally, the period saw the cyclical growth in spending associated with conducting the decennial census in calendar year 2000, which has now been completed.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For on-budget spending in this function, the resolution calls for $7.4 billion in budget authority [BA] and $4.4 billion in outlays in fiscal year 2002, an increase of 195 percent in BA compared with 2001. The on-budget function totals are $54.2 billion in BA and $33.5 billion in outlays over 5 years, and $128.1 billion in BA and $84.3 billion in outlays over 10 years.

For fiscal year 2002 on-budget discretionary spending, the resolution calls for –$234 million in BA and $127 million in outlays. The 5-year on-budget discretionary spending totals are –$2.2 billion in BA and –$2.4 billion in outlays. The 10-year on-budget discretionary spending totals are $5.2 billion in BA and $3.7 in outlays.

On-budget mandatory spending in this function is $7.6 billion in BA and $4.2 billion in outlays in fiscal year 2002; $56.4 billion in BA and $35.9 billion in outlays over 5 years; and $122.9 billion in BA and $80.6 billion in outlays over 10 years.

The resolution assumes the President's recommendation that premiums for some FHA programs, such as condominiums, rehabilitation loans, and multifamily loans are to be increased so that all single-family FHA borrowers pay the same premiums, and that the programs operate without the need for a subsidy.

The resolution also assumes in this function the outlay effect of a proposed reduction in fees levied by the Securities and Exchange Commission.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

[On-budget totals, in billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	7.4	54.2	128.1
Outlays	4.4	33.5	84.3

FUNCTION 400: TRANSPORTATION

FUNCTION SUMMARY

This function supports all major Federal transportation programs. About two-thirds of the funding provided here is for ground transportation programs. This includes the Federal-aid highway program, and mass transit operating and capital assistance. Also under ground transportation are rail transportation through the National Rail Passenger Corporation [Amtrak], and high-speed rail and rail safety programs. Among additional components of this function are air transportation, including the Federal Aviation Administration [FAA] airport improvement program, the facilities and equipment program, and the operation of the air traffic control system; water transportation through the Coast Guard and the Maritime Administration; and other transportation support activities.

Over the period 1998–2001, total budget authority [BA] in Function 400 rose from $45.3 billion to $61.6 billion, a 10.8 percent average annual increase. The largest component of this growth was highway and highway safety spending, which increased from $21.9 billion to $30.3 billion, an 11.5 percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $61.0 billion in BA and $55.6 in outlays in fiscal year 2002; $298.9 billion in BA and $299.8 billion in outlays over 5 years; and $608.1 billion in BA and $639.6 billion in outlays over 10 years.

For discretionary spending, the resolution calls for $16.2 billion in BA and $53.9 billion in outlays in fiscal year 2002. The 5-year discretionary spending totals are $85.2 billion in BA and $289.9 billion in outlays. The 10-year discretionary spending totals are $182.3 billion in BA and $619.7 billion in outlays. Mandatory spending in this function would be $44.8 billion in BA and $1.7 billion in outlays in fiscal year 2002; $213.7 billion in BA and $9.9 billion in outlays over 5 years; and $425.8 billion in BA and $19.9 billion in outlays over 10 years.

This resolution accommodates the President's proposal to fully fund the authorized levels provided for highways ($32.3 billion) and transit ($6.7 billion) under the Transportation Equity Act for the 21st Century and for the Federal Aviation Administration's operating ($6.9 billion), capital ($2.9 billion), and airport grants ($3.3 billion) programs under the Aviation Investment and Reform Act for the 21st Century.

To assist Americans with disabilities in overcoming transportation barriers to work, the resolution assumes the President's $145 million proposal to fund two new programs under his New Freedom Initiative to increase the ability of individuals with disabilities to integrate into the workforce.

The Committee has assumed an increase in Coast Guard operating expenses of $250 million above the fiscal year 2002 level recommended by the President. This increase is provided to eliminate Coast Guard vessel and aircraft spare parts problems, to improve personnel training, to fund new Department of Defense entitlements, and to operate drug interdiction assets at optimal levels.

The Committee recognizes that the Office of Management and Budget's budget submission contained recently identified errors in the transportation function. The Committee intends to make every effort to address these errors in conference.

FUNCTION 400: TRANSPORTATION

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	61.0	298.9	608.1
Outlays	55.6	299.8	639.6

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

FUNCTION SUMMARY

This function reflects programs that provide Federal funding for economic and community development in both urban and rural areas. This includes programs such as Community Development Block Grants [CDBGs]—about half the BA in the function. Also reflected are the nonpower activities of the Tennessee Valley Authority, the non-roads activities of the Appalachian Regional Commission, the Economic Development Administration, and partial funding for the Bureau of Indian Affairs. Funding for disaster relief and insurance—including activities of the Federal Emergency Management Agency [FEMA]—also appear here.

Over the period 1998–2001, funding remained relatively constant, although disaster assistance payments though FEMA and congressional initiatives through the CDBG program caused minor fluctuations in annual budget authority.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $10.1 billion in budget authority [BA] and $11.4 billion in outlays in fiscal year 2002, a decrease of 9.8 percent in BA compared with 2001. The 5-year totals are $53.2 billion in BA and $53.7 billion in outlays; and the 10-year totals are $113.9 billion in BA and $108.8 billion in outlays.

For discretionary spending, the resolution calls for $10.1 billion in BA and $11.7 billion in outlays in fiscal year 2002; $53.1 billion in BA and $55.9 billion in outlays over 5 years; and $113.6 billion in BA and $113.8 billion in outlays over 10 years. Mandatory spending is $31 million in BA and –$318 million in outlays in fiscal year 2002; $48 million in BA and –$2.2 billion in outlays over 5 years; and $271 million in BA and –$5.0 billion in outlays over 10 years.

Consistent with the President's recommendations, the budget assumes continuation of Community Development Block Grant [CDBG] formula funding at the 2001 level. It also assumes that the Rural Housing and Economic Development Program, begun in 1999, will be terminated due to its duplication of other programs, such as CDBGs.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	10.1	53.2	113.9
Outlays	11.4	53.7	108.8

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

FUNCTION SUMMARY

More than one-third of the funding in the Education, Training, Employment, and Social Services function is for Federal programs in elementary, secondary, and vocational education. Also displayed here are funds for higher education programs, accounting for about 16 percent of the function's spending; research and general education aids, including the National Endowment for the Arts and the National Endowment for the Humanities; training and employment services; other labor services; and grants to States for general social services and rehabilitation services, such as the Social Services Block Grant and vocational rehabilitation. This last category accounts for the remainder of the function's spending.

Over the period 1998–2001, total budget authority [BA] in Function 500 rose from $60.9 billion to $76.9 billion, a 26-percent increase. Most of the increase in this area during that period occurred within the Department of Education's discretionary budget authority, which rose from $29.8 billion to $39.9 billion.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $82.1 billion in budget authority [BA] and $76.2 billion in outlays in fiscal year 2002, an increase of 6.8 percent in BA compared with 2001. The 5-year function totals are $425.6 billion in BA and $412.7 billion in outlays; and the 10-year totals are $917.7 billion in BA and $891.7 billion in outlays.

For discretionary spending, the resolution calls for $65.3 billion in BA and $59.7 billion in outlays in fiscal year 2002; $339.5 billion in BA and $328.2 billion in outlays over 5 years; and $726.6 billion in BA and $705.4 billion in outlays over 10 years. Mandatory spending is $16.8 billion in BA and $16.6 billion in outlays in fiscal year 2002; $86.1 billion in BA and $84.5 billion in outlays over 5 years; and $191.1 billion in BA and $186.3 billion in outlays over 10 years.

Education

The budget creates a $1.25-billion reserve fund for the Individuals with Disabilities Education Act [IDEA] Part B grants to States. This reserve can be accessed if the Appropriations Committee reports a bill allocating funds for special education above the current level, with the increase ceiling set at $1.25 billion. A $1.25-billion increase would raise the percent of the average perpupil expenditure [APPE] covered by Federal funds above the current 15-percent level, moving the Government closer to its original promise of providing 40 percent of APPE to the States.

The budget further assumes the President's proposal to redirect the $1.2 billion provided for school renovation, first funded in 2001, allowing States to reallocate the 2001 funds among school renovation, technology, or *special education.* For 2002, the budget allows States to use this funding stream for priorities such as special education, help for low-performing schools, or accountability reforms.

The resolution also accommodates the President's proposed increase in program spending of the Department of Education by $4.6 billion, or 11.5 percent, in fiscal year 2002. It provides sufficient funding in elementary and secondary education for the President's "No Child Left Behind" education reform plan. Key initiatives include the following:

- A tripling of reading education funds, to $900 million in 2002, and a total increase in reading education spending of $5 billion over 5 years.
- The provision of $2.6 billion for States to improve teacher quality through high-quality professional development, recruitment and retention activities.
- Sufficient funds to help States to develop annual assessments of students, establish strong accountability systems, and expand State participation in the National Assessment of Education Progress, so that parents, teachers and policymakers can ensure that students are improving.
- Consolidation and streamlining of existing Federal elementary and secondary education programs.

The resolution also assumes the following recommendations by the President:

- An increase of $62 million for the Impact Aid construction program, which currently receives only $12.8 million. This is intended to improve the quality of public school buildings and eliminate the backlog of repairs and construction for schools on or near military bases and those serving Native American lands.
- Consolidation and increased funding for teacher training and recruiting. The Plan creates a $2.6-billion fund that provides States the flexibility to improve teacher quality while ensuring increased accountability.
- A sum of $150 million to help charter schools acquire, construct, or renovate facilities.
- An increase for "character education" from $9.3 million to $25 million.
- An increase for the Troops to Teachers program to $30 million.
- An expansion of the teacher student loan forgiveness program by increasing the loan forgiveness limit from $5,000 to $17,500 for math and science majors who teach those subjects in high-need high schools for 5 years. This is a mandatory spending initiative with an estimated cost of $5 million in 2002 and $87 million over 10 years.

To provide financial assistance to low-income college students, the budget accommodates the President's proposal to increase the Pell Grant program by $1 billion. This will increase the maximum award for all qualifying students above the current level of $3,750.

The budget also assumes an increase of 6.4 percent in funding for historically black colleges and graduate institutions, and Hispanic serving institutions, with a goal of increasing these programs 30 percent by 2005.

Training and employment

With regard to training and employment, the resolution assumes the following presidential recommendations:

- Maintaining labor law enforcement agencies at their 2001 levels, with a renewed emphasis on compliance assistance.
- More than $5 billion in 2002 to support the Department of Labor's [DOL's] youth and adult training activities, offering services to more than 2 million participants.
- A $20-million increase for the Office of Disability Employment Policy, nearly doubling the office's funding. This will allow it to undertake new activities to integrate individuals with disabilities into the work force.
- Establishing an administrative surcharge on the amount billed to Federal agencies for workers' compensation benefits, financing DOL's program administration expenses and boosting agencies' incentives to improve the safety of their workplaces.

Other assumptions

Additional funding assumptions concerning programs in this function are the following:

- Providing States an additional $776 million over 5 years for preventive services to families in crisis to keep children in, or to return them to, their homes whenever possible, and establishing a goal of "permanence" within the child welfare system to ensure children are placed in a safe and stable biological family, or, if that is not possible, to speed the process of adoption.
- Providing $233 million over 5 years for vouchers to young people who "age out" of foster care. The vouchers could be used for college tuition or for vocational training. Vouchers could be worth up to $5,000 per child transitioning from foster care.
- A sum of $733 million, as recommended by the President, for the Corporation for National and Community Service [CNS]. This will help to support 50,000 AmeriCorps members. The resolution also assumes the President's recommended $14-million increase to the National Senior Service Corps, as well as a $35-million increase for new senior initiatives.
- The continuation of programmatic activities of the National Endowment for the Arts [NEA] and the National Endowment for the Humanities [NEH] at the 2001 levels. NEA receives $105 million currently; NEH receives $120 million. Minor increases are assumed for both agencies to fund Federal staff costs. In the case of NEA, States also would be offered a greater say in how funding is spent.
- A total of $494 million to the Smithsonian Institution, an increase of $40 million, or 9 percent, over 2001. A $30.8 million increase is assumed for repair, restoration and construction of Smithsonian buildings.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	82.1	425.6	917.7
Outlays	76.2	412.7	891.7

FUNCTION 550: HEALTH

FUNCTION SUMMARY

The Health function consists of health care services, including Medicaid, the Nation's major program covering medical and long-term care costs for low-income persons; the State Children's Health Insurance Program [SCHIP], health research and training, including the National Institutes of Health [NIH] and substance abuse prevention and treatment; and consumer and occupational health and safety, including the Occupational Safety and Health Administration. Medicaid represents about 69 percent of the spending in this function.

Over the period 1998–2001, total budget authority [BA] in Function 550 rose from $135.1 billion to $182.6 billion, a 10.3-percent average annual increase. The largest component of this growth was Medicaid, which increased from $101.1 billion to $129.8 billion, an 8.7-percent average annual increase. The moderation of Medicaid growth over the past 5 years is a dramatic change from the experience a decade earlier, when Medicaid spending more than doubled between 1990 and 1995.

The NIH has been a priority for Congress during the past several years. Consequently, funding for the Institutes has been boosted at a rate of 14-percent a year or higher for the past 3 years.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $204.0 billion in BA and $201.1 billion in outlays in fiscal year 2002, an increase of 11.7 percent in BA compared with 2001. The function totals are $1.20 trillion in BA and $1.19 trillion in outlays over 5 years, and $2.86 trillion in BA and $2.84 trillion in outlays over 10 years.

For discretionary spending, the resolution calls for $41.0 billion in BA and $38.1 billion in outlays in fiscal year 2002. The 5-year discretionary spending totals are $232.0 billion in BA and $219.0 billion in outlays. The 10-year discretionary spending totals are $501.6 billion in BA and $480.0 billion in outlays. Mandatory spending in this function would be $163.0 billion in BA and outlays in fiscal year 2002; $968.8 billion in BA and $968.7 billion in outlays over 5 years; and $2.36 trillion in BA and outlays over 10 years.

NIH remains a priority. Funding in this resolution accommodates the President's proposal to double the NIH 1998 funding level of $13.6 billion by 2003. To accomplish this, the 2002 budget assumes $23.1 billion for NIH, a $2.8 billion increase above the 2001 level.

To strengthen the health care safety net, the budget assumes the President's $124-million increase for community health centers.

Further, as proposed in the President's budget, to help lower-income families purchase private health insurance, the budget assumes in the enactment of a new refundable tax credit for individuals and families who do not have access to employer-sponsored health insurance. The outlay impact of this assumption is reflected in this function; the impact on revenues is shown elsewhere.

The budget also assumes the enactment of H.R. 600, the Family Opportunity Act of 2001. Under the Act, States would have the option to expand Medicaid coverage for children with special needs, allowing families of disabled children with the opportunity to purchase coverage under the Medicaid program for such children.

Function 550 incorporates $41.9 billion (fiscal years 2002–2005) of the President's Medicare reform, including the Immediate Helping Hand Prescription Drug Plan (See Function 570).

FUNCTION 550: HEALTH

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	204.0	1,200.8	2,861.7
Outlays	201.1	1,187.7	2,837.4

FUNCTION 570: MEDICARE

FUNCTION SUMMARY

This budget function reflects the Medicare Part A Hospital Insurance [HI] Program, Part B Supplementary Medical Insurance [SMI] Program, and premiums paid by qualified aged and disabled beneficiaries. It also includes the "Medicare+Choice" Program, which covers Part A and Part B benefits and allows beneficiaries to choose certain private health insurance plans. Medicare+Choice plans may include health maintenance organizations, preferred provider organizations, provider-sponsored organizations, medical savings accounts (up to 390,000 covered individuals), and private fee-for-service plans. Such plans may add benefits and cover copayments and deductibles required by the traditional Medicare program.

Over the period 1998–2001, total budget authority [BA] in Function 570 rose from $193.7 billion to $217.5 billion, a 3.9-percent average annual increase. The pace of spending growth was a contrast to the early 1990s, when Medicare spending increased more than 50 percent over a 5-year period. Medicare spending is expected to double over the next 10 years.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $229.1 billion in budget authority [BA] and outlays in fiscal year 2002, an increase of 5.3 percent in BA compared with 2001. The function totals are $1.34 trillion in BA and $1.33 trillion in outlays over 5 years, and $3.31 trillion in BA and outlays over 10 years.

For discretionary spending, the resolution calls for $3.4 billion in BA and outlays in fiscal year 2002. The 5-year discretionary spending totals are $17.8 billion in BA and $17.7 billion in outlays. The 10-year discretionary spending totals are $38.1 billion in BA and $37.7 billion in outlays. Mandatory spending in this function would be $225.7 billion in BA and outlays in fiscal year 2002; $1.32 trillion in BA and outlays over 5 years; and $3.27 trillion in BA and outlays over 10 years.

The President's Medicare reform proposal

As proposed in the President's budget, the budget resolution assumes $153 billion over 10 years for Medicare Reform, including the Immediate Helping Hand Prescription Drug Plan. This total is shared by Function 550 and Function 570; Function 570 incorporates $109.9 billion of the total over 10 years.

The budget is consistent with the provisions of the Social Security and Medicare Lock-Box Act of 2001, which passed the House on 13 February by a vote of 407–2. The measure creates a procedural "lock-box" so that the Medicare Hospital Insurance [HI] surplus can be used only for debt reduction or Medicare reform. The resolution also provides access to additional funds, if needed, for Medicare reform with prescription drug coverage.

The resolution also supports the reform principles identified by the President. They are the following:

- Medicare's current guarantee of access to seniors must be preserved.
- Every Medicare recipient must have a choice of health plans with the option of purchasing prescription drugs coverage.
- Medicare must cover expenses for low-income seniors.
- Reform must include streamlined access to the latest medical technologies.
- Medicare payroll taxes must not be increased.
- Reform must establish an accurate measure of the solvency of Medicare.

The need for reform

Some of the principal arguments for comprehensive Medicare reform are the following:

- *Medicare's Financial Liabilities.* According to the 2001 Trustees Report, the Medicare HI Trust Fund is projected to become insolvent by 2029. But that is only part of Medicare's total financial outlook.

  In fact, according to the Congressional Budget Office [CBO], the total Medicare Program is already generating huge liabilities: in 2002, Medicare will require $64 billion in general revenue and, over 10 years, Medicare will require $1.1 trillion in general revenue. This is because 75 percent of SMI [Part B] financing comes out of general revenues.

  Beyond the 10-year budget window, Medicare's financial liabilities will be exacerbated by the retirement of the babyboomers in about 2011. As they retire, the growth of the working population—who will finance new retirees' benefits—will not keep pace with that of the retired population. In fact, there is projected to be a permanent shift in the ratio of workers to beneficiaries, from 4.0 workers-to-beneficiaries today, to 2.3 in 2030 and 2.0 in 2075.

  Equally ominous, the 2001 Trustees Report significantly revised upward the long-range Medicare cost growth assumptions following a recommendation of the 2000 Medicare Technical Review Panel. The Panel believed that Medicare costs and overall health care spending will grow faster than gross domestic product [GDP] based on the historical impact of advances in medical technology on health care cost increases. Consequently, the Trustees estimate that total Medicare spending will increase from 2.34 percent of GDP in 2001 to 8.49 percent of GDP in 2075. In other words, over the long term, Medicare will nearly quadruple its share of the economy.
- *Medicare's Outmoded Benefit.* Medicare's benefits consistently lag behind modern medicine, as evidenced by its lack of coverage for prescription drugs and catastrophic costs. Consequently, beneficiaries need other supplemental forms of coverage; on average, Medicare only covers around half of a beneficiary's costs. Moreover, a recent report by the Lewin Group found that it takes between 15 months and 5 years to add new technologies to the Medicare Program.

- *The Mismanagement of Medicare.* Last year, a number of witnesses testifying to the House Budget Committee Task Force on Health contended that Medicare's complex billing and regulatory schemes can actually influence the decisions doctors make in treating their patients. This, coupled with the increasingly close scrutiny by the program's administrators—specifically the Health Care Financing Administration [HCFA]—led one witness to say: "The sense of intimidation and fear of HCFA among physicians is widespread and troubling."

  The Mayo Foundation says there are more than 110,000 pages of Medicare regulations and supporting documents, and some interpretations of them contradict others. The result: doctors are forced to take time away from patient care to deal with Medicare's rules—and then may still be left wondering whether they have really complied.

  Medicare's complexity also is wasteful. Says Uwe E. Reinhardt, professor of political economy at Princeton University: "[T]he statutes and rules governing Medicare * * * now run the risk of becoming themselves a form of waste, fraud, and abuse." Yet despite all these rules, improper fee-for-service Medicare payments totaled $11.9 billion in fiscal year 2000—and the measure used to detect them is not even designed to identify fraud.

FUNCTION 570: MEDICARE

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	229.1	1,335.0	3,308.0
Outlays	229.1	1,334.6	3,307.6

FUNCTION 600: INCOME SECURITY

FUNCTION SUMMARY

The Income Security function covers most of the Federal Government's income support programs. The function includes general retirement and disability insurance (excluding Social Security)—mainly through the Pension Benefit Guaranty Corporation [PBGC]—and benefits to railroad retirees. Other components are Federal employee retirement and disability benefits (including military retirees); unemployment compensation; low-income housing assistance, including Section 8 housing; food and nutrition assistance, including food stamps and school lunch subsidies; and other income security programs. This last category includes Temporary Assistance to Needy Families [TANF], the government's principal welfare program; Supplemental Security Income [SSI]; spending for the refundable portion of the Earned Income Credit [EIC]; and the Low-Income Home Energy Assistance Program [LIHEAP]. Agencies involved in these programs include the Departments of Agriculture, Health and Human Services, Housing and Urban Development, and Education; the Social Security Administration (for SSI); and the Office of Personnel Management (for Federal retirement benefits).

Over the period 1998–2001, total budget authority [BA] in Function 600 rose from $231.5 billion to $262.1 billion, a 3.3 percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $271.5 billion in budget authority [BA] and $272.1 billion in outlays in fiscal year 2002, an increase of 6 percent in BA compared with 2001. The function totals are $1.47 trillion in BA and outlays over 5 years, and $3.21 trillion in BA and $3.20 trillion in outlays over 10 years.

For fiscal year 2002 discretionary spending, the resolution calls for $42.8 billion in BA and $45.9 billion in outlays. The 5-year discretionary spending totals are $230.9 billion in BA and $238.8 billion in outlays. The 10-year discretionary spending totals are $500.0 billion in BA and $507.5 billion in outlays.

Mandatory spending in this function is $228.7 billion in BA and $226.2 billion in outlays in fiscal year 2002; $1.24 trillion in BA and $1.23 trillion in outlays over 5 years; and $2.71 trillion in BA and $2.69 trillion in outlays over 10 years.

Consistent with the President's budget, the resolution encourages continued State innovation, and the mobilization of private-sector, corporate, and faith-based sources, for addressing the needs of low-income Americans—a process that began with the historic 1996 welfare reform law. In particular, the budget proposes a number of initiatives to encourage more charitable giving to community organizations that are effectively helping disadvantaged Americans to improve their lives and increase their families' well-being. Other initiatives are intended to strengthen low-income families and to address the needs of children caught in the Nation's foster care system.

The budget also supports the President's proposals for the Department of Housing and Urban Development [HUD], which reflect the overall effort to restrain the rate of growth among Federal agencies relative to recent years. The budget provides sufficient funding to renew all expiring public housing contracts, and adds funding for 34,000 new section 8 vouchers. Additionally, the budget provides new funding to increase home-ownership among low-income families. Beyond these priorities, the focus in fiscal year 2002 will be to improve management of HUD's programs, several of which have been designated among the General Accounting Office's "High Risk" programs, vulnerable to substantial amounts of fraud and mismanagement.

Among the administration's policy proposals aimed at helping low-income families and children are the following:

Faith-based and other compassionate conservative proposals

- Creating a Compassion Capital Fund to invest in charitable best practices.
- Providing $60 million in fiscal year 2002 for competitive grants to community and faith-based organizations for initiatives to promote responsible fatherhood and to combat the crisis of father absence. Grants also will be awarded to organizations that conduct marriage education courses and teach conflict resolution.
- Launching a pilot program for inmates nearing release, and making Federal funds available on a competitive basis for faith-based pre-release programs at Federal prisons.
- Making grants available to faith-based and community groups focused on improving the prospects of low-income children of prisoners.
- Providing $33 million in 2002 to establish Second Chance Homes for unwed teenage mothers and providing them with adult supervision when they can no longer remain in their parents' homes.

Other proposals

- Providing $1.4 billion for LIHEAP funding to help low-income families heat their homes.
- Funding the Special Supplemental Nutrition Program for Women, Infants and Children [WIC] at 7.25 million individuals per month, maintaining current program level.
- Maintaining current law policies for the Food Stamp Program, which will result in $20 billion in outlays for benefits and program administration in fiscal year 2002.

FUNCTION 600: INCOME SECURITY

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	271.5	1,470.6	3,212.8
Outlays	272.1	1,467.9	3,201.6

FUNCTION 650: SOCIAL SECURITY

FUNCTION SUMMARY

Function 650 consists of the Social Security Program, or Old Age, Survivors, and Disability Insurance [OASDI]. It is the largest budget function in terms of outlays, and provides funds for the Government's largest entitlement program. Under provisions of the Budget Enforcement Act, Social Security trust funds are "off-budget." Nevertheless, certain expenses, such as the Office of the Inspector General of the Social Security Administration [SSA], are on-budget.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For on-budget spending in this function, the resolution calls for $11.0 billion in budget authority [BA] and outlays in fiscal year 2002, an increase of 12.2 percent in BA compared with 2001. The on-budget function totals are $62.8 billion in BA and $62.7 billion in outlays over 5 years, and $150.9 billion in BA and outlays over 10 years.

For fiscal year 2002 on-budget discretionary spending, the resolution calls for $19 million in BA and $18 million in outlays. The 5-year on-budget discretionary spending totals are $99 million in BA and $98 million in outlays. The 10-year on-budget discretionary spending totals are $211 million in BA and $210 million in outlays.

On-budget mandatory spending in this function is $11.0 billion in BA and outlays in fiscal year 2002; $62.7 billion in BA and outlays over 5 years; and $150.7 billion in BA and outlays over 10 years.

Social Security's spending path is unsustainable in the long run. This trend is driven largely by demographics. As demographics change and costs increase, the challenge is to ensure that the Social Security system is strengthened for tomorrow's retirees. The President intends to meet that challenge by establishing a bipartisan Presidential Commission this spring to put Social Security on a sound and sustainable foundation over the long haul through reform. The Commission will make its recommendations this fall and Congress can act by the end of the year.

This budget resolution supports the President's approach through the following specific measures:

- It assumes provisions of the Social Security and Medicare Lock-Box Act of 2001 (H.R. 2), recently passed by the House, which prohibits using Social Security surpluses for any purpose other than debt reduction or Social Security reform.
- It assumes the President's proposal to provide $7.7 billion for the SSA, an increase of $456 million, or 6.3 percent, above fiscal year 2001. The increase will allow SSA to process 100,000 more initial disability claims in 2002 than in 2001.
- It makes no changes in current Social Security benefits or taxes.

FUNCTION 650: SOCIAL SECURITY

[On-budget totals, in billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	11.0	62.8	150.9
Outlays	11.0	62.7	150.9

FUNCTION 700: VETERANS BENEFITS AND SERVICES

FUNCTION SUMMARY

The Veterans Benefits and Services function includes funding for the Department of Veterans Affairs [VA], which provides benefits to veterans who meet various eligibility rules. Benefits range from income security for veterans, principally disability compensation and pensions; veterans education, training, and rehabilitation services; hospital and medical care for veterans; and other veterans' benefits and services, such as home loan guarantees. There are about 24.8 million veterans.

Over the period 1998–2001, total budget authority [BA] in Function 700 rose from $42.8 billion to $46.7 billion, a 3.7-percent average annual increase. The largest component of this growth was medical care, which increased from $17.7 billion to $20.9 billion, a 6.0-percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $52.3 billion in BA and $51.6 billion in outlays in fiscal year 2002, an increase of 12 percent in BA compared with 2001. The function totals are $278.7 billion in BA and $276.5 in outlays over 5 years, and $594.0 billion in BA and $589.8 billion in outlays over 10 years.

For discretionary spending, the resolution calls for $24.2 billion in BA and $23.9 billion in outlays in fiscal year 2002. The 5-year discretionary spending totals are $122.1 billion in BA and $121.2 billion in outlays. The 10-year discretionary spending totals are $260.0 billion in BA and $257.7 billion in outlays. Mandatory spending in this function would be $28.0 billion in BA and $27.7 billion in outlays in fiscal year 2002; $156.6 billion in BA and $155.3 billion in outlays over 5 years; and $334.0 billion in BA and $332.1 billion in outlays over 10 years.

Discretionary spending is $1.7 billion above the fiscal year 2001 level. These levels will ensure that veterans receive high-quality health care, and accurate and timely entitlement benefits. It also continues the commitment to ensure that veterans' cemeteries remain national shrines. The budget levels represent an increase in net discretionary authority of 7.6 percent over the fiscal year 2001 level.

The budget assumes the enactment of veterans' benefits enhancements in H.R. 801, the Veterans' Opportunity Act of 2001. It also assumes increases in mandatory spending for Montgomery GI Bill education benefits improvements. The budget assumes the permanent extension of several expiring provisions of existing law pertaining to veterans benefits. These include IRS income verification for means-tested veterans and survivor benefits; limiting VA pension to Medicaid recipients in nursing homes; and continuing current housing loan fees.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	52.3	278.7	594.0
Outlays	51.6	276.5	589.8

FUNCTION 750: ADMINISTRATION OF JUSTICE

FUNCTION SUMMARY

The first component of the Administration of Justice function consists of funding for Federal law enforcement activities. This includes criminal investigations by the Federal Bureau of Investigation [FBI] and the Drug Enforcement Administration [DEA], and border enforcement and the control of illegal immigration by the Customs Service and the Immigration and Naturalization Service [INS]. Also funded through this function are the Federal courts, Federal prison construction, and criminal justice assistance. The last category is used for local law enforcement programs, such as the Violence Against Women Act program. Most of the programs in this function have received part of their funding from the Violent Crime Reduction Trust Fund, which expired at the end of fiscal year 2000.

Criminal justice assistance has increased rapidly since 1995 due to increases in State and local grant programs, INS border patrol activities, and anti-terrorism and anti-drug activities of the FBI and the DEA. Over the period 1998–2001, total budget authority [BA] in Function 750 rose from $25.9 billion to $30.0 billion, a 5.2-percent average annual increase.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $30.9 billion in budget authority [BA] and $30.3 billion in outlays in fiscal year 2002, an increase of 1.0 percent in BA compared with 2001. The function totals are $166.6 billion in BA and $166.5 billion in outlays over 5 years, and $359.3 billion in BA and $356.8 billion in outlays over 10 years.

For discretionary spending, the resolution calls for $29.7 billion in BA and $29.5 billion in outlays in fiscal year 2002. The 5-year discretionary spending totals are $158.4 billion in BA and $158.3 billion in outlays. The 10-year discretionary spending totals are $338.6 billion in BA and $336.8 billion in outlays. Mandatory spending in this function would be $1.1 billion in BA and $798 million in outlays in fiscal year 2002; $8.3 billion in BA and $8.2 billion in outlays over 5 years; and $20.7 billion in BA and $20.0 billion in outlays over 10 years.

This resolution accommodates the President's proposals to increase funding for the Drug Enforcement Agency by 9 percent; the Federal Bureau of Investigation by 8 percent; the Federal Bureau of Prisons by 8 percent; the U.S. Attorneys by 7 percent; and to hire and train 550 new Border Control agents.

FUNCTION 750: ADMINISTRATION OF JUSTICE

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	30.9	166.6	359.3
Outlays	30.3	166.5	356.8

FUNCTION 800: GENERAL GOVERNMENT

FUNCTION SUMMARY

The General Government function consists of the activities of the Legislative Branch; the Executive Office of the President; general tax collection and fiscal operations of the Department of Treasury (including the Internal Revenue Service); the property and personnel costs of the General Services Administration and the Office of Personnel Management; general purpose fiscal assistance to States, localities, the District of Columbia, and U.S. territories; and other general government activities. The Internal Revenue Service accounts for about half of the spending in this function.

Over the period 1998–2001, total budget authority [BA] in Function 800 rose from $16.0 billion to $16.3 billion, a 0.4 percent average annual increase. (Any analysis)

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $16.7 billion in budget authority [BA] and $16.3 billion in outlays in fiscal year 2002, an increase of 2.2 percent in BA compared with 2001. The function totals are $84.2 billion in BA and $83.0 billion in outlays over 5 years, and $176.7 billion in BA and $173.4 billion in outlays over 10 years.

For fiscal year 2002 discretionary spending, the resolution calls for $14.8 billion in BA and $14.5 billion in outlays. The 5-year discretionary spending totals are $76.3 billion in BA and $75.1 billion in outlays. The 10-year discretionary spending totals are $162.8 billion in BA and $159.4 in outlays.

Mandatory spending in this function is $1.9 billion in BA and outlays in fiscal year 2002; $7.9 billion in BA and $8.0 billion in outlays over 5 years; and $13.9 billion in BA and $14.0 billion in outlays over 10 years.

FUNCTION 800: GENERAL GOVERNMENT

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	16.7	84.2	176.7
Outlays	16.3	83.0	173.4

FUNCTION 900: NET INTEREST

FUNCTION SUMMARY

Net interest is the interest paid for the Federal Government's borrowing. Function 900 is a mandatory payment, with no discretionary components.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The accounting of net interest in the budget includes only the on-budget component of interest spending. This spending declines at a relatively steady but moderate pace from $274 billion in 2001 to $219 billion in 2011. But even this decline understates—by significant amounts—the benefits to taxpayers of the debt reduction incorporated in this budget.

When off-budget interest is taken into account (the increasing Federal credit accruing to the Social Security Trust Fund surplus in the form of government IOUs, and entered as negative spending), the overall net interest spending of the Federal Government is being virtually eliminated. It declines from $205 billion in 2001 to just $21 billion in 2011.

FUNCTION 900: ON-BUDGET NET INTEREST

[On-budget totals, in billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	257.6	1,240.7	2,383.3
Outlays	257.6	1,240.7	2,383.3

FUNCTION 920: ALLOWANCES

FUNCTION SUMMARY

The Allowances function is used for planning purposes to address the budgetary effects of proposals or assumptions that cross various other budget functions. Once such changes are enacted, the budgetary effects are distributed to the appropriate budget functions.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for $5.0 billion in budget authority [BA] and $1.8 billion in outlays in fiscal year 2002. The 5-year spending totals are $29.1 billion in BA and $22.4 billion in outlays; and the 10-year totals are $64.0 billion in BA and $55.5 billion in outlays. There is no mandatory spending in this function.

The funds identified constitute a set-aside fund for unanticipated emergency needs during the fiscal year.

FUNCTION 920: ALLOWANCES

[In billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	5.0	29.1	64.0
Outlays	1.8	22.4	55.5

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

FUNCTION SUMMARY

Receipts recorded in this function are either intragovernmental (a payment from one Federal agency to another, such as agency payments to the retirement trust funds) or proprietary (a payment from the public for some kind of business transaction with the Government). The main types of receipts recorded in this function are: the payments Federal employees and agencies make to employee retirement trust funds; payments made by companies for the right to explore and produce oil and gas on the Outer Continental Shelf; and payments by those who bid for the right to buy or use public property or resources, such as the electromagnetic spectrum. These receipts are treated as negative outlays.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for –$42.3 billion in budget authority [BA] and outlays in fiscal year 2002, a decrease of 10.6 percent in BA compared with 2001, (or an increase of 10.6 percent in receipts compared with 2001). The 5-year function totals are –$239.8 billion in BA and outlays; and the 10-year totals are –$492.3 billion in BA and outlays.

These totals are entirely mandatory spending. There is no discretionary spending in this function.

The resolution does not assume lease bonuses from the Arctic National Wildlife Refuge or an analog spectrum license fee or other spectrum offsets. It also assumes permanent extension of the Balanced Budget Act [BBA] provision that increased, by 1.51 percentage points, Federal agency contributions to the Civil Service Retirement and Disability Trust Fund [CSRDF] on behalf of their CSRS-participant employees. That provision had been scheduled to sunset after fiscal year 2002.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

[On-budget totals, in billions of dollars]

	2002	2002–2006	2002–2011
Budget Authority	–42.3	–239.8	–492.3
Outlays	–42.3	–239.8	–492.3

TABLE S1.—FISCAL YEAR 2002 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE, TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
SUMMARY													
Total Spending:													
BA	1,906.9	1,977.3	2,035.5	2,112.7	2,200.7	2,264.8	2,343.6	2,437.7	2,532.5	2,634.0	2,743.5	10,591.0	23,282.3
OT	1,856.8	1,941.2	2,007.4	2,085.8	2,176.1	2,236.5	2,312.9	2,409.9	2,505.9	2,609.7	2,718.2	10,447.0	23,003.6
On-budget:													
BA	1,556.9	1,613.7	1,660.3	1,723.2	1,799.9	1,851.6	1,918.0	1,998.5	2,077.0	2,161.5	2,252.8	8,648.7	19,056.5
OT	1,508.9	1,579.8	1,634.6	1,698.6	1,777.6	1,825.7	1,889.9	1,973.7	2,053.6	2,139.9	2,230.2	8,516.3	18,803.6
Off-budget:													
BA	350.0	363.6	375.2	389.5	400.8	413.2	425.6	439.2	455.5	472.5	490.7	1,942.3	4,225.8
OT	347.9	361.4	372.8	387.2	398.5	410.8	423.0	436.2	452.3	469.8	488.0	1,930.7	4,200.0
Revenues:													
Total	2,128.8	2,168.1	2,259.9	2,344.4	2,436.8	2,521.4	2,628.5	2,754.2	2,889.6	3,038.6	3,206.2	11,730.6	26,247.7
On-Budget	1,624.7	1,635.8	1,699.0	1,755.7	1,816.7	1,872.2	1,948.6	2,041.7	2,143.2	2,256.6	2,387.0	8,779.4	19,556.5
Off-Budget	504.1	532.3	560.9	588.7	620.1	649.2	679.9	712.5	746.4	782.0	819.2	2,951.2	6,691.2
Surplus/Deficit (–):													
Total	272.0	226.9	252.5	258.6	260.7	284.9	315.6	344.3	383.7	428.9	488.0	1,283.6	3,244.1
On-Budget	115.8	56.0	64.4	57.1	39.1	46.5	58.7	68.0	89.6	116.7	156.8	263.1	752.9
Off-Budget	156.2	170.9	188.1	201.5	221.6	238.4	256.9	276.3	294.1	312.2	331.2	1,020.5	2,491.2
Debt Held by the Public (end of year)	3,157	2,944	2,710	2,471	2,226	1,955	1,651	1,316	939	878	818	na	na
Debt Subject to Limit (end of year)	5,575	5,623	5,674	5,733	5,807	5,903	6,394	6,972	7,596	8,623	9,436	na	na
BY FUNCTION													
National Defense (050):													
BA	310.3	324.6	333.3	342.6	352.2	362.1	372.2	382.7	393.5	404.5	416.3	1,714.8	3,684.0
OT	300.6	319.3	325.5	334.0	347.2	354.6	361.9	375.6	386.5	397.6	409.2	1,680.6	3,611.4
International Affairs (150):													
BA	22.4	23.9	23.9	24.5	25.4	26.2	26.9	27.4	28.0	28.4	29.6	123.9	264.2
OT	19.7	19.6	19.9	20.4	20.8	21.4	22.1	22.8	23.6	24.2	25.0	102.1	219.8
General Science, Space, and Technology (250):													
BA	21.0	22.2	22.6	23.1	23.6	24.3	24.9	25.6	26.2	26.7	27.8	115.8	247.0
OT	19.6	21.0	21.9	22.6	23.2	23.7	24.3	24.9	25.6	26.1	26.9	112.4	240.2
Energy (270):													
BA	1.2	0.8	0.8	0.9	0.9	1.0	1.1	2.2	2.3	2.3	2.2	4.4	14.5
OT	–0.1	–0.2	–0.5	–0.6	–0.5	–0.4	–0.2	0.4	0.8	1.0	0.9	–2.2	0.7
Natural Resources and Environment (300):													
BA	28.8	26.7	26.8	27.7	27.9	28.0	28.6	29.3	30.6	31.2	32.4	137.1	289.2

OT	26.4	26.4	27.0	27.5	27.7	27.8	28.3	28.8	29.9	30.5	31.5	136.4	285.4
Agriculture (350):													
BA	20.7	19.1	18.6	18.5	18.3	17.9	16.5	15.6	15.8	15.9	16.1	92.4	172.3
OT	18.2	17.5	17.0	17.1	16.9	16.3	14.9	14.1	14.4	14.5	14.7	84.8	157.4
Agriculture Emergencies (350):													
BA	5.6	....	....	....	....	....	....	....	....	....	....	....	....
OT	5.5	....	....	....	....	....	....	....	....	....	....	....	....
Commerce and Housing Credit (370):													
BA	3.5	8.7	8.5	14.1	12.7	12.7	13.5	13.9	14.3	18.7	13.5	56.7	130.6
OT	0.2	5.7	3.1	9.9	9.0	8.4	9.2	9.3	9.6	12.8	9.8	36.1	86.8
On-Budget:													
BA	2.5	7.4	8.6	12.8	12.7	12.7	13.5	13.9	14.3	18.7	13.5	54.2	128.1
OT	–0.8	4.4	3.2	8.6	9.0	8.4	9.2	9.3	9.6	12.8	9.8	33.6	84.3
Off-Budget:													
BA	1.0	1.3	–0.1	1.3	....	....	....	....	....	....	....	2.5	2.5
OT	1.0	1.3	–0.1	1.3	....	....	....	....	....	....	....	2.5	2.5
Transportation (400):													
BA	62.1	61.0	58.7	59.2	59.7	60.3	60.8	61.3	61.8	62.2	63.1	298.9	608.1
OT	51.7	55.6	58.3	60.2	62.0	63.7	64.9	66.4	68.0	69.3	71.2	299.8	639.6
Community and Regional Development (450):													
BA	11.2	10.1	10.3	10.6	10.9	11.2	11.5	11.8	12.1	12.3	12.8	53.1	113.6
OT	11.4	11.4	11.0	10.7	10.4	10.3	10.5	10.8	11.0	11.3	11.6	53.8	109.0
Education, Training, Employment and Social Services (500):													
BA	76.9	82.1	82.0	83.9	87.3	90.2	92.8	95.7	98.4	100.5	104.6	425.5	917.5
OT	69.8	76.2	81.7	82.3	84.8	87.7	90.4	93.0	95.9	98.4	101.4	412.7	891.8
Health (550):													
BA	182.6	204.0	229.7	246.5	253.8	266.8	287.0	307.6	329.7	354.2	382.4	1,200.8	2,861.7
OT	175.5	201.1	225.8	244.7	251.5	264.6	284.2	305.2	327.6	352.5	380.2	1,187.7	2,837.4
Medicare (570):													
BA	217.5	229.1	243.9	260.2	291.8	309.9	336.1	362.8	391.1	423.4	459.4	1,334.9	3,307.7
OT	217.7	229.1	243.7	260.4	291.7	309.7	336.4	362.7	390.8	423.7	459.4	1,334.6	3,307.6
Income Security (600):													
BA	255.9	271.5	281.8	293.3	308.1	315.9	323.4	337.9	349.3	359.9	371.6	1,470.6	3,212.7
OT	256.9	272.1	282.3	292.5	306.7	314.4	321.9	336.5	347.6	358.2	369.4	1,468.0	3,201.6
Social Security (650):													
BA	435.2	457.2	479.6	503.8	529.2	555.8	584.1	614.7	649.5	686.2	725.5	2,525.6	5,785.6
OT	433.1	455.0	477.2	501.5	526.9	553.4	581.5	611.7	646.3	683.5	722.8	2,514.0	5,759.8
On-Budget:													
BA	9.8	11.0	11.7	12.5	13.3	14.2	15.2	16.2	17.5	18.9	20.4	62.7	150.9
OT	9.8	11.0	11.7	12.5	13.3	14.2	15.2	16.2	17.5	18.9	20.4	62.7	150.9

TABLE S1.—FISCAL YEAR 2002 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE, TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
BY FUNCTION													
Off-Budget:													
BA	425.4	446.2	467.9	491.3	515.9	541.6	568.9	598.5	632.0	667.3	705.1	2,462.9	5,634.7
OT	423.3	444.0	465.5	489.0	513.6	539.2	566.3	595.5	628.8	664.6	702.4	2,451.3	5,608.9
Veterans Benefits and Services (700):													
BA	46.7	52.3	53.0	55.3	59.3	58.8	58.1	62.0	63.4	64.7	67.1	278.7	594.0
OT	45.9	51.6	52.8	54.9	58.9	58.3	57.7	61.6	63.0	64.4	66.7	276.5	589.9
Administration of Justice (750):													
BA	30.6	30.9	31.9	33.6	34.6	35.7	36.6	37.6	38.5	39.2	40.8	166.7	359.4
OT	30.0	30.3	32.1	34.1	34.7	35.3	36.1	37.1	38.1	38.8	40.2	166.5	356.8
General Government (800):													
BA	16.3	16.7	16.3	16.7	17.0	17.5	17.9	18.0	18.4	18.7	19.4	84.2	176.6
OT	16.1	16.3	16.3	16.6	16.7	17.1	17.5	17.7	18.0	18.3	18.9	83.0	173.4
Net Interest (900):													
BA	205.1	182.2	169.8	155.3	138.0	122.0	105.4	87.1	66.8	44.6	20.9	767.3	1,092.1
OT	205.1	182.2	169.8	155.3	138.0	122.0	105.4	87.1	66.8	44.6	20.9	767.3	1,092.1
On-Budget:													
BA	273.6	257.6	253.2	248.5	242.4	239.0	236.5	233.3	229.3	224.4	219.1	1,240.7	2,383.3
OT	273.6	257.6	253.2	248.5	242.4	239.0	236.5	233.3	229.3	224.4	219.1	1,240.7	2,383.3
Off-Budget:													
BA	–68.5	–75.4	–83.4	–93.2	–104.4	–117.0	–131.1	–146.2	–162.5	–179.8	–198.2	–473.4	–1,291.2
OT	–68.5	–75.4	–83.4	–93.2	–104.4	–117.0	–131.1	–146.2	–162.5	–179.8	–198.2	–473.4	–1,291.2
Allowances (920):													
BA	–0.5	5.0	5.5	6.0	6.2	6.4	6.6	6.7	7.0	7.2	7.5	29.1	64.1
OT	–0.3	1.8	4.0	4.8	5.7	6.1	6.3	6.4	6.6	6.8	7.0	22.4	55.5
Undistributed Offsetting Receipts (950):													
BA	–46.2	–50.8	–61.5	–63.1	–56.2	–57.9	–60.4	–62.2	–64.2	–66.8	–69.5	–289.5	–612.6
OT	–46.2	–50.8	–61.5	–63.1	–56.2	–57.9	–60.4	–62.2	–64.2	–66.8	–69.5	–289.5	–612.6
On-Budget:													
BA	–38.3	–42.3	–52.3	–53.2	–45.5	–46.5	–48.2	–49.1	–50.2	–51.8	–53.3	–239.8	–492.4
OT	–38.3	–42.3	–52.3	–53.2	–45.5	–46.5	–48.2	–49.1	–50.2	–51.8	–53.3	–239.8	–492.4
Off-Budget:													
BA	–7.9	–8.5	–9.2	–9.9	–10.7	–11.4	–12.2	–13.1	–14.0	–15.0	–16.2	–49.7	–120.2
OT	–7.9	–8.5	–9.2	–9.9	–10.7	–11.4	–12.2	–13.1	–14.0	–15.0	–16.2	–49.7	–120.2

TABLE S2.—FISCAL YEAR 2002 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE, DISCRETIONARY SPENDING

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
SUMMARY													
Total Discretionary Spending:													
BA	635.5	660.6	678.7	697.5	717.0	737.0	758.1	779.4	801.5	823.6	846.9	3,490.8	7,500.3
OT	645.5	683.8	707.7	725.3	747.8	765.8	784.7	809.5	832.2	855.7	878.3	3,630.4	7,790.8
Defense:													
BA	311.1	324.9	333.4	342.8	352.4	362.3	372.4	382.9	393.7	404.7	416.5	1,715.8	3,686.0
OT	301.3	319.7	325.7	334.3	347.4	354.7	362.1	375.8	386.7	397.8	409.4	1,681.8	3,613.6
Nondefense:													
BA	324.4	335.7	345.3	354.7	364.6	374.7	385.7	396.5	407.8	418.9	430.4	1,775.0	3,814.3
OT	344.2	364.1	382.0	391.0	400.4	411.1	422.6	433.7	445.5	457.9	468.9	1,948.6	4,177.2
BY FUNCTION													
National Defense (050):													
BA	311.1	324.9	333.4	342.8	352.4	362.3	372.4	382.9	393.7	404.7	416.5	1,715.8	3,686.0
OT	301.3	319.7	325.7	334.3	347.4	354.7	362.1	375.8	386.7	397.8	409.4	1,681.8	3,613.6
International Affairs (150):													
BA	22.6	23.9	23.8	24.5	25.2	25.9	26.6	27.3	28.0	28.4	29.6	123.3	263.2
OT	23.3	23.2	23.5	24.0	24.3	24.9	25.6	26.2	26.9	27.4	28.3	119.9	254.3
General Science, Space, and Technology (250):													
BA	20.9	22.0	22.5	23.1	23.6	24.3	24.9	25.5	26.2	26.6	27.7	115.5	246.4
OT	19.6	21.0	21.8	22.4	23.0	23.6	24.3	24.9	25.5	26.0	26.8	111.8	239.3
Energy (270):													
BA	3.1	2.8	2.7	3.0	3.1	3.2	3.3	4.0	4.0	4.1	4.1	14.8	34.3
OT	3.1	2.9	2.8	2.9	3.0	3.1	3.2	3.6	3.9	4.0	4.1	14.7	33.5
Natural Resources and Environment (300):													
BA	28.7	26.4	26.5	27.2	27.4	27.4	28.1	28.8	29.7	30.2	31.4	134.9	283.1
OT	26.4	26.2	26.6	27.0	27.2	27.3	27.7	28.3	29.0	29.6	30.6	134.3	279.5
Agriculture (350):													
BA	4.8	4.8	5.2	5.2	5.3	5.5	5.6	5.7	5.9	6.0	6.2	26.0	55.4
OT	4.7	4.8	5.1	5.1	5.2	5.4	5.5	5.7	5.8	5.9	6.1	25.6	54.6
Commerce and Housing Credit (370):													
BA	1.4	–0.2	–0.2	–0.5	–0.6	–0.6	0.3	0.5	1.0	5.4	0.2	–2.1	5.3
OT	2.0	0.1	–0.3	–0.6	–0.8	–0.8	0.2	0.3	0.6	4.0	1.0	–2.4	3.7
On-budget:													
BA	1.4	–0.2	–0.2	–0.5	–0.6	–0.6	0.3	0.5	1.0	5.4	0.2	–2.1	5.3
OT	2.0	0.1	–0.3	–0.6	–0.8	–0.8	0.2	0.3	0.6	4.0	1.0	–2.4	3.7

TABLE S2.—FISCAL YEAR 2002 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE, DISCRETIONARY SPENDING—Continued

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
BY FUNCTION													
Off-budget:													
BA	....	....	....	....	....	....	....	....	....	....	....	....	....
OT	....	....	....	....	....	....	....	....	....	....	....	....	....
Transportation (400):													
BA	19.0	16.2	16.6	17.0	17.5	18.0	18.5	18.9	19.4	19.7	20.5	85.3	182.3
OT	49.7	53.9	56.2	58.2	59.9	61.7	63.0	64.4	66.0	67.3	69.2	289.9	619.8
Community and Regional Development (450):													
BA	11.6	10.1	10.4	10.6	10.9	11.2	11.5	11.8	12.1	12.3	12.8	53.2	113.7
OT	12.0	11.7	11.5	11.1	10.8	10.8	11.0	11.3	11.6	11.9	12.2	55.9	113.9
Education, Training, Employment and Social Services (500):													
BA	61.2	65.3	65.6	67.6	69.5	71.5	73.5	75.6	77.5	78.7	82.0	339.5	726.8
OT	54.0	59.7	65.4	66.0	67.6	69.6	71.6	73.4	75.6	77.2	79.4	328.3	705.5
Health (550):													
BA	38.8	41.0	45.5	47.0	48.5	50.1	51.4	52.6	54.0	54.8	56.9	232.1	501.8
OT	33.8	38.1	41.5	44.7	46.5	48.1	49.6	51.0	52.3	53.4	54.8	218.9	480.0
Medicare (570):													
BA	3.4	3.4	3.4	3.5	3.6	3.8	3.9	4.0	4.1	4.1	4.3	17.7	38.1
OT	3.3	3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	17.7	37.7
Income Security (600):													
BA	39.5	42.8	44.5	46.2	48.0	49.4	50.8	52.2	53.8	55.1	57.2	230.9	500.0
OT	44.0	45.9	47.2	47.5	48.5	49.7	51.0	52.5	53.7	54.9	56.5	238.8	507.4
Social Security (650):													
BA	3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	18.1	38.6
OT	3.4	3.5	3.5	3.6	3.6	3.8	3.9	4.0	4.1	4.1	4.3	18.0	38.4
On-budget:													
BA	....	....	....	....	....	....	....	....	....	....	....	....	....
OT	....	....	....	....	....	....	....	....	....	....	....	....	....
Off-budget:													
BA	3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	18.1	38.6
OT	3.4	3.5	3.5	3.6	3.6	3.8	3.9	4.0	4.1	4.1	4.3	18.0	38.4
Veterans Benefits and Services (700):													
BA	22.5	24.2	23.4	24.1	24.8	25.5	26.2	26.9	27.6	27.9	29.2	122.0	259.8
OT	22.1	23.9	23.5	24.0	24.6	25.3	26.0	26.6	27.3	27.7	28.9	121.3	257.8

Administration of Justice (750):													
BA	30.0	29.7	31.6	31.4	32.3	33.3	34.2	35.1	36.1	36.6	38.2	158.3	338.5
OT	29.3	29.5	31.5	31.8	32.4	33.1	33.9	34.8	35.7	36.4	37.7	158.3	336.8
General Government (800):													
BA	14.0	14.8	14.8	15.2	15.6	16.0	16.4	16.9	17.3	17.6	18.3	76.4	162.9
OT	13.8	14.5	14.7	15.0	15.3	15.7	16.0	16.4	16.9	17.2	17.8	75.2	159.5
Allowances (920):													
BA	–0.5	5.0	5.5	6.0	6.2	6.4	6.6	6.7	7.0	7.2	7.5	29.1	64.1
OT	–0.3	1.8	4.0	4.8	5.7	6.1	6.3	6.4	6.6	6.8	7.0	22.4	55.5

TABLE S3.—FISCAL YEAR 2002 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE, MANDATORY SPENDING

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
SUMMARY													
Total Mandatory Spending:													
BA	1,271.8	1,316.5	1,357.1	1,415.2	1,483.9	1,527.7	1,585.7	1,658.1	1,731.1	1,810.2	1,896.4	7,100.4	15,781.9
OT	1,211.5	1,257.6	1,299.7	1,360.6	1,427.9	1,470.6	1,528.3	1,600.2	1,673.6	1,753.7	1,839.8	6,816.4	15,212.0
On-budget:													
BA	925.3	956.4	985.4	1,029.3	1,086.8	1,118.3	1,164.0	1,222.9	1,279.7	1,341.9	1,410.1	5,176.2	11,594.8
OT	867.0	899.6	930.4	976.9	1,033.1	1,063.5	1,109.1	1,167.9	1,225.4	1,288.1	1,356.1	4,903.5	11,050.1
Off-budget:													
BA	346.5	360.1	371.7	385.9	397.1	409.4	421.7	435.2	451.4	468.3	486.3	1,924.2	4,187.1
OT	344.5	358.0	369.3	383.7	394.8	407.1	419.2	432.3	448.2	465.6	483.7	1,912.9	4,161.9
BY FUNCTION													
National Defense (050):													
BA	–0.7	–0.4	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–1.2	–2.2
OT	–0.7	–0.4	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–0.2	–1.2	–2.2
International Affairs (150):													
BA	–0.2	....	....	....	0.2	0.2	0.3	0.2	....	....	....	0.4	0.9
OT	–3.6	–3.6	–3.7	–3.6	–3.5	–3.5	–3.4	–3.4	–3.3	–3.3	–3.3	–17.9	–34.6
General Science, Space, and Technology (250):													
BA	0.1	0.2	0.2	....	....	....	....	....	....	....	....	0.4	0.4
OT	0.1	0.1	0.1	0.1	0.2	0.1	0.1	....	....	....	....	0.6	0.7
Energy (270):													
BA	–1.9	–1.9	–2.0	–2.1	–2.2	–2.2	–2.2	–1.8	–1.8	–1.8	–1.9	–10.4	–19.9
OT	–3.2	–3.2	–3.3	–3.5	–3.5	–3.5	–3.5	–3.2	–3.1	–3.1	–3.2	–17.0	–33.1
Natural Resources and Environment (300):													
BA	0.1	0.3	0.4	0.5	0.5	0.6	0.5	0.5	0.9	1.0	1.0	2.3	6.2
OT	....	0.2	0.4	0.4	0.5	0.5	0.5	0.5	0.9	0.9	0.9	2.0	5.7
Agriculture (350):													
BA	15.9	14.3	13.4	13.3	13.0	12.4	10.9	9.9	9.9	9.9	9.9	66.4	116.9
OT	13.5	12.7	11.9	12.0	11.6	10.9	9.4	8.4	8.5	8.6	8.6	59.1	102.6
Agriculture Emergencies (350):													
BA	5.6	....	....	....	....	....	....	....	....	....	....	....	....
OT	5.5	....	....	....	....	....	....	....	....	....	....	....	....
Commerce and Housing Credit (370):													
BA	2.2	8.9	8.7	14.6	13.4	13.3	13.3	13.3	13.3	13.3	13.3	58.9	125.4
OT	–1.8	5.5	3.4	10.5	9.8	9.2	9.0	9.0	9.0	8.9	8.8	38.4	83.1

On-budget:													
BA	1.2	7.6	8.8	13.3	13.4	13.3	13.3	13.3	13.3	13.3	13.3	56.4	122.9
OT	–2.8	4.2	3.5	9.2	9.8	9.2	9.0	9.0	9.0	8.9	8.8	35.9	80.6
Off-budget:													
BA	1.0	1.3	–0.1	1.3	....	....	....	....	....	....	....	2.5	2.5
OT	1.0	1.3	–0.1	1.3	....	....	....	....	....	....	....	2.5	2.5
Transportation (400):													
BA	43.2	44.8	42.2	42.2	42.2	42.3	42.3	42.4	42.4	42.5	42.5	213.7	425.8
OT	2.0	1.7	2.1	2.1	2.0	2.0	1.9	2.0	2.0	2.0	2.0	9.9	19.8
Community and Regional Development (450):													
BA	–0.4	....	....	....	....	....	....	....	....	....	....	....	....
OT	–0.7	–0.3	–0.5	–0.4	–0.5	–0.5	–0.5	–0.5	–0.5	–0.6	–0.6	–2.2	–4.9
Education, Training, Employment and Social Services (500):													
BA	15.7	16.8	16.4	16.3	17.9	18.7	19.4	20.1	21.0	21.8	22.7	86.1	191.1
OT	15.8	16.6	16.3	16.3	17.2	18.1	18.8	19.5	20.3	21.2	22.0	84.5	186.3
Health (550):													
BA	143.8	163.0	184.2	199.6	205.3	216.7	235.6	255.0	275.7	299.4	325.5	968.8	2,360.0
OT	141.7	163.0	184.3	200.0	205.0	216.5	234.6	254.2	275.3	299.1	325.4	968.8	2,357.4
Medicare (570):													
BA	214.2	225.7	240.5	256.7	288.1	306.2	332.3	358.9	387.1	419.3	455.1	1,317.2	3,269.9
OT	214.4	225.7	240.3	256.9	288.1	305.9	332.6	358.8	386.8	419.6	455.2	1,316.9	3,269.9
Income Security (600):													
BA	216.5	228.7	237.4	247.1	260.1	266.5	272.6	285.6	295.5	304.8	314.4	1,239.8	2,712.7
OT	213.0	226.2	235.1	244.9	258.2	264.7	270.9	284.0	293.9	303.3	312.9	1,229.1	2,694.1
Social Security (650):													
BA	431.7	453.7	476.1	500.2	525.5	552.0	580.1	610.7	645.4	682.0	721.1	2,507.5	5,746.8
OT	429.7	451.6	473.7	498.0	523.2	549.7	577.6	607.8	642.2	679.3	718.5	2,496.2	5,721.6
On-budget:													
BA	9.8	11.0	11.7	12.5	13.3	14.2	15.1	16.2	17.5	18.9	20.4	62.7	150.8
OT	9.8	11.0	11.7	12.5	13.3	14.2	15.1	16.2	17.5	18.9	20.4	62.7	150.8
Off-budget:													
BA	421.9	442.7	464.4	487.7	512.2	537.8	565.0	594.5	627.9	663.1	700.7	2,444.8	5,596.0
OT	419.9	440.6	462.0	485.5	509.9	535.5	562.5	591.6	624.7	660.4	698.1	2,433.5	5,570.8
Veterans Benefits and Services (700):													
BA	24.2	28.0	29.6	31.1	34.5	33.3	31.9	35.1	35.7	36.8	37.9	156.5	333.9
OT	23.9	27.7	29.3	30.9	34.3	33.0	31.7	34.9	35.7	36.7	37.8	155.2	332.0
Administration of Justice (750):													
BA	0.6	1.1	0.3	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	8.2	20.6
OT	0.7	0.8	0.6	2.3	2.3	2.2	2.3	2.3	2.4	2.4	2.5	8.2	20.1

TABLE S3.—FISCAL YEAR 2002 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE, MANDATORY SPENDING—Continued

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
BY FUNCTION													
General Government (800):													
BA	2.3	1.9	1.6	1.5	1.5	1.5	1.5	1.1	1.1	1.1	1.1	8.0	13.9
OT	2.3	1.9	1.6	1.7	1.4	1.4	1.5	1.2	1.1	1.1	1.1	8.0	14.0
Net Interest (900):													
BA	205.1	182.2	169.8	155.3	138.0	122.0	105.4	87.1	66.8	44.6	20.9	767.3	1,092.1
OT	205.1	182.2	169.8	155.3	138.0	122.0	105.4	87.1	66.8	44.6	20.9	767.3	1,092.1
On-budget:													
BA	273.6	257.6	253.2	248.5	242.4	239.0	236.5	233.3	229.3	224.4	219.1	1,240.7	2,383.3
OT	273.6	257.6	253.2	248.5	242.4	239.0	236.5	233.3	229.3	224.4	219.1	1,240.7	2,383.3
Off-budget:													
BA	−68.5	−75.4	−83.4	−93.2	−104.4	−117.0	−131.1	−146.2	−162.5	−179.8	−198.2	−473.4	−1,291.2
OT	−68.5	−75.4	−83.4	−93.2	−104.4	−117.0	−131.1	−146.2	−162.5	−179.8	−198.2	−473.4	−1,291.2
Undistributed Offsetting Receipts (950):													
BA	−46.2	−50.8	−61.5	−63.1	−56.2	−57.9	−60.4	−62.2	−64.2	−66.8	−69.5	−289.5	−612.6
OT	−46.2	−50.8	−61.5	−63.1	−56.2	−57.9	−60.4	−62.2	−64.2	−66.8	−69.5	−289.5	−612.6
On-budget:													
BA	−38.3	−42.3	−52.3	−53.2	−45.5	−46.5	−48.2	−49.1	−50.2	−51.8	−53.3	−239.8	−492.4
OT	−38.3	−42.3	−52.3	−53.2	−45.5	−46.5	−48.2	−49.1	−50.2	−51.8	−53.3	−239.8	−492.4
Off-budget:													
BA	−7.9	−8.5	−9.2	−9.9	−10.7	−11.4	−12.2	−13.1	−14.0	−15.0	−16.2	−49.7	−120.2
OT	−7.9	−8.5	−9.2	−9.9	−10.7	−11.4	−12.2	−13.1	−14.0	−15.0	−16.2	−49.7	−120.2

TABLE S4.—HOUSE BUDGET COMMITTEE RECOMMENDATION MINUS THE PRESIDENT'S REQUEST: TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
SUMMARY													
Total Spending:													
BA	15.7	–4.4	–2.9	13.0	13.2	10.9	3.1	3.1	–0.8	0.6	–7.4	29.8	28.4
OT	0.5	–18.1	–4.1	14.5	12.4	15.5	11.0	11.4	12.9	9.8	9.1	20.2	74.4
On-budget:													
BA	16.6	–7.3	–6.4	6.9	9.2	9.2	4.3	7.3	8.6	13.9	12.4	11.6	58.1
OT	–0.5	–19.9	–9.5	6.9	6.2	10.9	10.8	14.0	18.7	20.3	24.8	–5.4	83.2
Off-budget:													
BA	–0.9	2.9	3.5	6.1	4.0	1.7	–1.2	–4.2	–9.4	–13.3	–19.8	18.2	–29.7
OT	1.0	1.8	5.4	7.6	6.2	4.6	0.2	–2.6	–5.8	–10.5	–15.7	25.6	–8.8
Revenues:													
Total	–8.1	–22.4	1.8	5.8	0.5	–6.5	–14.7	–16.1	–15.6	–20.3	–26.9	–20.7	–114.3
On-budget	–8.4	–23.8	1.7	7.4	9.4	2.8	–1.3	–2.4	–1.0	1.2	0.2	–2.4	–5.7
Off-budget	0.2	1.4	0.1	–1.6	–8.9	–9.3	–13.4	–13.8	–14.6	–21.5	–27.1	–18.3	–108.6
Surplus/Deficit (–):													
Total	–8.6	–4.3	6.0	–9.0	–11.7	–22.1	–25.5	–27.6	–28.4	–30.1	–36.1	–41.1	–188.8
On-budget	–7.8	–3.8	11.3	0.2	3.4	–8.2	–12.0	–16.4	–19.7	–19.1	–24.7	2.9	–88.9
Off-budget	–0.7	–0.5	–5.3	–9.3	–15.1	–13.9	–13.6	–11.2	–8.7	–11.0	–11.4	–44.0	–99.9
BY FUNCTION													
National Defense (050):													
BA	–0.3	–0.2	0.1	0.3	0.4	0.5	0.3	0.4	0.4	0.4	0.4	1.1	3.0
OT	1.5	0.3	3.9	1.5	0.4	0.8	1.7	2.2	2.3	–1.7	2.3	6.9	13.7
International Affairs (150):													
BA	3.8	0.8	0.9	1.3	1.4	1.3	1.0	0.7	0.6	0.6	0.6	5.7	9.2
OT	2.2	–1.5	–1.1	–0.7	–0.5	–0.6	–0.6	–0.7	–0.5	–0.5	–0.5	–4.4	–7.2
General Science, Space, and Technology (250):													
BA	0.1	....	....	....	....	....	....	....	....	....	....	....	....
OT	–0.1	–0.2	–0.1	–0.2	–0.1	–0.1	–0.2	–0.2	–0.2	–0.2	–0.3	–0.7	–1.8
Energy (270):													
BA	2.0	1.2	1.1	1.6	1.4	1.3	1.3	0.9	0.5	0.4	0.3	6.6	10.0
OT	0.5	....	–0.4	0.2	0.1	0.1	0.1	–0.8	–0.8	–0.7	–0.8	....	–3.0
Natural Resources and Environment (300):													
BA	–	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.8	1.0	1.1	1.2	4.7
OT	–1.2	–1.4	–0.6	–0.3	–0.5	–0.8	–0.8	–0.7	....	0.4	0.6	–3.6	–4.1

TABLE S4.—HOUSE BUDGET COMMITTEE RECOMMENDATION MINUS THE PRESIDENT'S REQUEST: TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–2006	2002–2011
BY FUNCTION													
Agriculture (350):													
BA	–3.2	3.4	4.5	4.4	3.9	3.0	1.2	0.1	–0.1	–0.3	–0.4	19.2	19.7
OT	–2.5	–1.1	2.0	3.1	2.9	1.8	0.2	–1.0	–1.2	–1.4	–1.5	8.7	3.8
Commerce and Housing Credit (370):													
BA	12.3	0.3	0.7	8.1	6.6	6.3	6.3	6.3	4.0	5.1	4.1	22.0	47.8
OT	1.0	–1.2	–1.5	6.4	5.6	6.2	4.9	5.4	4.8	4.6	4.7	15.5	39.9
On-budget:													
BA	16.1	1.5	2.8	7.7	7.5	7.3	6.9	6.5	5.9	5.5	5.0	26.8	56.6
OT	2.6	0.5	–1.9	4.4	4.3	4.4	4.2	4.0	3.2	2.9	2.7	11.7	28.7
Off-budget:													
BA	–3.8	–1.2	–2.0	0.4	–0.9	–1.0	–0.6	–0.2	–1.9	–0.3	–0.8	–4.7	–8.5
OT	–1.6	–1.8	0.4	2.0	1.3	1.8	0.7	1.4	1.6	1.7	2.0	3.7	11.1
Transportation (400):													
BA	0.6	–0.2	–4.6	–5.8	–7.0	–8.2	–9.5	–10.9	–12.2	–13.5	–14.9	–25.8	–86.8
OT	0.6	0.9	2.1	1.7	1.0	0.7	0.1	–0.2	–0.4	–0.5	–0.6	6.4	4.8
Community and Regional Development (450):													
BA	0.9	0.1	0.2	0.3	0.4	0.3	0.4	0.4	0.4	0.4	0.3	1.3	3.2
OT	0.6	0.1	–0.2	....	0.1	0.4	0.7	0.7	0.7	0.7	0.6	0.4	3.8
Education, Training, Employment and Social Services (500):													
BA	6.6	2.2	1.5	1.2	1.8	1.6	1.4	1.4	1.3	1.1	0.8	8.3	14.3
OT	5.1	....	1.5	1.2	1.6	1.6	1.4	1.4	1.3	1.1	0.8	5.9	11.9
Health (550):													
BA	1.2	–0.9	–0.1	0.1	–0.6	–2.0	–2.5	–3.0	–3.8	–3.5	–0.9	–3.5	–17.2
OT	0.1	–0.2	1.1	1.1	0.4	–0.8	–1.1	–1.3	–1.8	–2.3	0.6	1.6	–4.3
Medicare (570):													
BA	–1.4	–0.7	1.7	4.8	9.0	13.7	18.6	23.2	28.4	35.3	35.8	28.5	169.8
OT	–1.6	–0.7	1.8	4.7	9.1	13.8	18.6	23.2	28.5	35.4	36.0	28.7	170.4
Income Security (600):													
BA	–6.2	–3.0	–3.1	–3.4	–1.3	–2.3	–2.8	–2.9	–3.3	–3.9	–8.0	–13.1	–34.0
OT	–6.0	–3.6	–3.4	–3.2	–1.9	–2.6	–3.2	–2.5	–1.9	–3.1	–7.1	–14.7	–32.5
Social Security (650):													
BA	–0.2	0.8	0.7	0.1	–1.1	–3.4	–6.6	–10.3	–14.2	–19.9	–26.4	–2.9	–80.3
OT	–0.5	0.3	0.2	....	–1.2	–3.3	–6.6	–10.3	–14.1	–19.1	–25.1	–4.0	–79.2

On-budget:													
BA	–2.3	–2.6	–2.7	–3.0	–3.0	–3.1	–3.1	–3.5	–3.9	–4.5	–5.2	–14.4	–34.6
OT	–2.3	–2.6	–2.7	–3.0	–3.0	–3.1	–3.1	–3.5	–3.9	–4.5	–5.2	–14.4	–34.6
Off-budget:													
BA	2.1	3.4	3.4	3.0	1.9	–0.4	–3.5	–6.8	–10.3	–15.4	–21.2	11.3	–45.9
OT	1.8	2.9	2.9	2.9	1.9	–0.3	–3.4	–6.8	–10.2	–14.6	–19.9	10.3	–44.6
Veterans Benefits and Services (700):													
BA	–1.0	0.6	–0.1	–0.1	1.9	–0.7	–3.3	–1.3	–1.8	–1.9	–1.7	1.6	–8.4
OT	0.6	0.5	....	–0.2	–0.9	–0.9	–1.1	–1.4	–1.9	–2.0	–1.9	–1.5	–9.8
Administration of Justice (750):													
BA	0.5	....	0.4	0.3	0.4	0.3	0.3	0.3	0.3	0.2	0.2	1.4	2.7
OT	0.9	–1.3	–2.3	–0.2	0.6	0.4	0.3	0.3	0.3	0.3	0.2	–2.8	–1.4
General Government (800):													
BA	....	....	–0.3	–1.6	–0.4	–0.4	–0.4	–0.5	–0.6	–0.6	–0.7	–2.7	–5.5
OT	–0.9	–0.1	–0.3	–1.7	–0.5	–0.5	–0.6	–0.7	–0.7	–0.8	–0.8	–3.1	–6.7
Net Interest (900):													
BA	–1.4	–6.1	–5.4	–5.9	–6.2	–4.7	–2.7	–2.5	–1.8	–0.9	1.1	–28.3	–35.1
OT	–1.4	–6.1	–5.4	–5.8	–6.2	–4.7	–2.7	–2.5	–1.8	–0.9	1.1	–28.2	–35.0
On-budget:													
BA	–1.8	–6.8	–7.4	–8.6	–9.2	–7.7	–5.6	–5.3	–4.6	–3.3	–1.1	–39.7	–59.6
OT	–1.8	–6.8	–7.4	–8.6	–9.2	–7.7	–5.6	–5.3	–4.6	–3.3	–1.1	–39.7	–59.6
Off-budget:													
BA	0.4	0.7	2.1	2.7	3.0	3.1	2.9	2.8	2.8	2.4	2.2	11.6	24.7
OT	0.4	0.7	2.1	2.7	3.0	3.1	2.9	2.8	2.8	2.4	2.2	11.6	24.7
Allowances (920):													
BA	–0.5	–1.0	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–2.2	–3.7
OT	–0.3	–0.9	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–0.3	–2.1	–3.6
Undistributed Offsetting Receipts (950):													
BA	1.9	–1.8	–1.3	7.4	2.6	4.3	0.1	0.8	0.7	0.8	1.1	11.2	14.7
OT	1.9	–1.8	–1.3	7.4	2.6	4.3	0.1	0.8	0.7	0.8	1.1	11.2	14.7
On-budget:													
BA	1.5	–1.8	–1.2	7.4	2.6	4.3	0.1	0.8	0.6	0.8	1.1	11.3	14.7
OT	1.5	–1.8	–1.2	7.4	2.6	4.3	0.1	0.8	0.6	0.8	1.1	11.3	14.7
Off-budget:													
BA	0.4	....	....	....	....	....	....	....	....	....	....	....	....
OT	0.4	....	....	....	....	....	....	....	....	....	....	....	....

TABLE S5.—HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2001: TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
SUMMARY										
Total Spending:										
BA	70.4	128.5	205.5	293.8	357.3	437.0	530.4	625.9	726.7	836.3
OT	84.5	150.7	229.1	319.1	379.7	456.3	552.9	649.1	753.0	861.5
On-budget:										
BA	56.7	103.3	166.0	243.0	294.2	361.4	441.3	520.3	604.2	695.6
OT	71.0	125.8	189.8	268.6	316.9	381.2	464.7	544.7	631.2	721.4
Off-budget:										
BA	13.7	25.2	39.5	50.8	63.1	75.6	89.1	105.6	122.5	140.7
OT	13.5	24.9	39.3	50.5	62.8	75.1	88.2	104.4	121.8	140.1
Revenues:										
Total	39.3	131.1	215.7	308.0	392.6	499.8	625.3	760.8	909.8	1,077.4
On-budget	11.1	74.3	131.1	192.0	247.5	324.0	417.0	518.5	631.9	762.3
Off-Budget	28.2	56.8	84.6	116.0	145.1	175.8	208.3	242.3	277.9	315.1
Surplus/Deficit (–):										
Total	–45.2	–19.5	–13.5	–11.1	13.0	43.6	72.3	111.7	156.9	215.8
On-budget	–59.9	–51.4	–58.7	–76.5	–69.3	–57.1	–47.8	–26.3	0.8	40.9
Off-Budget	14.7	31.9	45.2	65.4	82.3	100.7	120.1	138.0	156.1	174.9
BY FUNCTION										
National Defense (050):										
BA	14.2	22.9	32.2	41.9	51.8	61.9	72.4	83.2	94.2	106.0
OT	18.7	25.0	33.5	46.6	54.0	61.3	75.0	85.9	97.0	108.7
International Affairs (150):										
BA	1.4	1.5	2.1	2.9	3.7	4.5	5.0	5.6	6.0	7.2
OT	–0.1	0.2	0.7	1.1	1.7	2.5	3.2	3.9	4.5	5.3
General Science, Space, and Technology (250):										
BA	1.2	1.6	2.1	2.6	3.3	3.9	4.5	5.2	5.6	6.7
OT	1.4	2.3	3.0	3.6	4.1	4.7	5.3	6.0	6.5	7.3
Energy (270):										
BA	–0.4	–0.5	–0.3	–0.3	–0.2	–0.1	1.0	1.1	1.0	1.0
OT	–0.1	–0.4	–0.5	–0.4	–0.2	–0.1	0.5	0.9	1.1	1.0
Natural Resources and Environment (300):										
BA	–2.1	–2.0	–1.1	–0.9	–0.9	–0.2	0.5	1.8	2.3	3.6
OT	....	0.6	1.1	1.3	1.5	1.9	2.4	3.5	4.2	5.1

Agriculture (350):										
BA	–7.1	–7.7	–7.8	–8.0	–8.4	–9.8	–10.6	–10.5	–10.4	–10.2
OT	–6.2	–6.7	–6.6	–6.8	–7.4	–8.7	–9.6	–9.3	–9.1	–8.9
Commerce and Housing Credit (370):										
BA	5.2	4.9	10.6	9.2	9.1	10.0	10.3	10.8	15.2	10.0
OT	5.4	2.8	9.7	8.8	8.1	9.0	9.1	9.4	12.6	9.6
On-budget:										
BA	4.9	6.0	10.3	10.2	10.1	11.0	11.3	11.8	16.2	11.0
OT	5.1	3.9	9.4	9.8	9.1	10.0	10.1	10.4	13.6	10.6
Off-budget:										
BA	0.3	–1.1	0.3	–1.0	–1.0	–1.0	–1.0	–1.0	–1.0	–1.0
OT	0.3	–1.1	0.3	–1.0	–1.0	–1.0	–1.0	–1.0	–1.0	–1.0
Transportation (400):										
BA	–1.1	–3.4	–2.9	–2.4	–1.9	–1.3	–0.8	–0.3	0.1	0.9
OT	3.9	6.6	8.6	10.3	12.0	13.2	14.7	16.3	17.6	19.5
Community and Regional Development (450):										
BA	–1.1	–0.9	–0.7	–0.3	....	0.3	0.6	0.9	1.1	1.6
OT	0.1	–0.4	–0.7	–1.0	–1.1	–0.9	–0.6	–0.3	–0.1	0.2
Education, Training, Employment and Social Services (500):										
BA	5.2	5.1	7.0	10.5	13.3	16.0	18.8	21.6	23.6	27.7
OT	6.4	11.9	12.5	15.0	17.9	20.6	23.2	26.1	28.6	31.6
Health (550):										
BA	21.4	47.1	63.9	71.2	84.2	104.4	125.0	147.1	171.6	199.8
OT	25.6	50.3	69.2	75.9	89.1	108.7	129.7	152.1	177.0	204.7
Medicare (570):										
BA	11.6	26.4	42.7	74.2	92.4	118.6	145.3	173.6	205.9	241.9
OT	11.4	26.0	42.7	74.0	92.0	118.7	145.0	173.1	206.0	241.7
Income Security (600):										
BA	15.6	25.9	37.4	52.1	60.0	67.5	81.9	93.4	103.9	115.7
OT	15.2	25.4	35.5	49.7	57.5	65.0	79.5	90.7	101.3	112.5
Social Security (650):										
BA	22.1	44.5	68.6	94.0	120.6	148.9	179.6	214.3	251.0	290.3
OT	21.9	44.1	68.4	93.7	120.3	148.4	178.6	213.1	250.3	289.7
On-budget:										
BA	1.2	1.9	2.7	3.5	4.4	5.4	6.4	7.7	9.1	10.6
OT	1.2	1.9	2.7	3.5	4.4	5.4	6.4	7.7	9.1	10.6
Off-budget:										
BA	20.9	42.5	65.9	90.5	116.2	143.5	173.1	206.7	241.9	279.7
OT	20.7	42.2	65.7	90.2	115.9	143.0	172.2	205.5	241.2	279.1

TABLE S5.—HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2001: TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BY FUNCTION										
Veterans Benefits and Services (700):										
BA	5.6	6.4	8.6	12.7	12.1	11.5	15.3	16.7	18.1	20.4
OT	5.7	6.9	9.0	13.0	12.4	11.7	15.7	17.0	18.5	20.7
Administration of Justice (750):										
BA	0.3	1.3	3.0	4.1	5.1	6.0	7.0	8.0	8.6	10.2
OT	0.3	2.1	4.1	4.7	5.3	6.1	7.1	8.1	8.8	10.2
General Government (800):										
BA	0.4	....	0.4	0.7	1.2	1.6	1.7	2.1	2.4	3.1
OT	0.3	0.2	0.6	0.7	1.0	1.4	1.6	1.9	2.2	2.8
Net Interest (900):										
BA	–22.9	–35.2	–49.7	–67.1	–83.2	–99.6	–118.1	–138.3	–160.5	–184.2
OT	–22.9	–35.2	–49.7	–67.1	–83.2	–99.6	–118.1	–138.3	–160.5	–184.2
On-budget:										
BA	–16.0	–20.3	–25.1	–31.2	–34.6	–37.0	–40.3	–44.3	–49.2	–54.5
OT	–16.0	–20.3	–25.1	–31.2	–34.6	–37.0	–40.3	–44.3	–49.2	–54.5
Off-budget:										
BA	–6.9	–14.9	–24.7	–35.9	–48.6	–62.6	–77.8	–94.0	–111.3	–129.7
OT	–6.9	–14.9	–24.7	–35.9	–48.6	–62.6	–77.8	–94.0	–111.3	–129.7
Allowances (920):										
BA	5.5	6.0	6.5	6.7	6.8	7.1	7.2	7.5	7.6	7.9
OT	2.1	4.3	5.1	6.0	6.4	6.6	6.7	6.9	7.1	7.3
Undistributed Offsetting Receipts (950):										
BA	–4.6	–15.3	–16.9	–10.0	–11.7	–14.2	–16.1	–18.0	–20.6	–23.3
OT	–4.6	–15.3	–16.9	–10.0	–11.7	–14.2	–16.1	–18.0	–20.6	–23.3
On-budget:										
BA	–4.0	–14.0	–15.0	–7.2	–8.2	–9.9	–10.9	–11.9	–13.5	–15.0
OT	–4.0	–14.0	–15.0	–7.2	–8.2	–9.9	–10.9	–11.9	–13.5	–15.0
Off-budget:										
BA	–0.6	–1.3	–2.0	–2.8	–3.5	–4.3	–5.2	–6.1	–7.1	–8.3
OT	–0.6	–1.3	–2.0	–2.8	–3.5	–4.3	–5.2	–6.1	–7.1	–8.3

TABLE S6.—HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2001: TOTAL SPENDING AND REVENUES

[Percentage change]

Fiscal year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
SUMMARY										
Total Spending:										
BA	3.7	6.7	10.8	15.4	18.7	22.9	27.8	32.8	38.1	43.9
OT	4.5	8.1	12.3	17.2	20.4	24.6	29.8	35.0	40.6	46.4
On-budget:										
BA	3.6	6.6	10.7	15.6	18.9	23.2	28.3	33.4	38.8	44.7
OT	4.7	8.3	12.6	17.8	21.0	25.3	30.8	36.1	41.8	47.8
Off-budget:										
BA	3.9	7.2	11.3	14.5	18.0	21.6	25.5	30.2	35.0	40.2
OT	3.9	7.2	11.3	14.5	18.0	21.6	25.4	30.0	35.0	40.3
Revenues:										
Total	1.8	6.2	10.1	14.5	18.4	23.5	29.4	35.7	42.7	50.6
On-budget	0.7	4.6	8.1	11.8	15.2	19.9	25.7	31.9	38.9	46.9
Off-Budget	5.6	11.3	16.8	23.0	28.8	34.9	41.3	48.1	55.1	62.5
Surplus/Deficit (–):										
Total	–16.6	–7.2	–5.0	–4.1	4.8	16.0	26.6	41.1	57.7	79.3
On-budget	–51.7	–44.4	–50.6	–66.0	–59.8	–49.3	–41.3	–22.7	0.7	35.3
Off-Budget	9.4	20.4	28.9	41.9	52.7	64.5	76.9	88.4	99.9	112.0
BY FUNCTION										
National Defense (050):										
BA	4.6	7.4	10.4	13.5	16.7	19.9	23.3	26.8	30.4	34.1
OT	6.2	8.3	11.1	15.5	18.0	20.4	25.0	28.6	32.3	36.1
International Affairs (150):										
BA	6.4	6.5	9.2	13.1	16.7	20.1	22.4	25.0	26.7	32.0
OT	–0.6	1.0	3.8	5.6	8.8	12.6	16.0	19.9	22.8	27.1
General Science, Space, and Technology (250):										
BA	5.5	7.6	9.8	12.4	15.5	18.6	21.6	24.7	26.7	31.9
OT	7.3	11.7	15.2	18.2	20.9	23.9	27.1	30.3	33.0	37.0
Energy (270):										
BA	–31.8	–38.0	–25.6	–26.6	–16.5	–10.0	79.3	86.9	85.1	78.9
OT	103.5	361.7	413.0	331.3	207.8	115.7	–434.8	–781.7	–930.4	–906.1
Natural Resources and Environment (300):										
BA	–7.4	–6.9	–3.9	–3.1	–3.0	–0.7	1.8	6.2	8.1	12.4
OT	0.2	2.2	4.2	5.0	5.5	7.2	9.2	13.4	15.8	19.5

TABLE S6.—HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2001: TOTAL SPENDING AND REVENUES—Continued

[Percentage change]

Fiscal year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BY FUNCTION										
Agriculture (350):										
BA	–27.2	–29.2	–29.7	–30.3	–32.0	–37.2	–40.5	–39.8	–39.5	–38.7
OT	–26.0	–28.2	–27.8	–28.8	–31.1	–36.8	–40.6	–39.3	–38.6	–37.7
Commerce and Housing Credit (370):										
BA	147.9	140.3	301.6	262.1	260.1	284.9	293.9	305.8	432.5	284.5
OT	2,370.3	1,244.1	4,216.6	3,835.8	3,552.8	3,927.5	3,964.6	4,096.1	5,504.4	4,182.5
On-budget:										
BA	194.7	239.8	409.5	406.0	403.2	437.9	450.5	467.1	644.2	437.3
OT	–665.1	–512.2	–1,213.5	–1,269.0	–1,185.0	–1,296.2	–1,307.3	–1,346.3	–1,764.6	–1,372.0
Off-budget:										
BA	30.0	–110.0	30.0	–100.0	–100.0	–100.0	–100.0	–100.0	–100.0	–100.0
OT	30.0	–110.0	30.0	–100.0	–100.0	–100.0	–100.0	–100.0	–100.0	–100.0
Transportation (400):										
BA	–1.8	–5.5	–4.7	–3.9	–3.0	–2.1	–1.3	–0.5	0.1	1.5
OT	7.6	12.8	16.5	19.9	23.3	25.6	28.4	31.6	34.1	37.8
Community and Regional Development (450):										
BA	–9.8	–8.1	–5.9	–2.7	0.2	2.9	5.5	8.2	9.9	14.4
OT	0.5	–3.6	–6.2	–8.9	–9.7	–8.0	–5.4	–2.9	–0.5	2.1
Education, Training, Employment and Social Services (500):										
BA	6.8	6.7	9.1	13.6	17.3	20.8	24.5	28.0	30.7	36.1
OT	9.2	17.0	17.9	21.6	25.6	29.5	33.2	37.4	40.9	45.2
Health (550):										
BA	11.7	25.8	35.0	39.0	46.1	57.2	68.5	80.6	94.0	109.4
OT	14.6	28.7	39.4	43.3	50.7	61.9	73.9	86.6	100.9	116.6
Medicare (570):										
BA	5.3	12.1	19.6	34.1	42.5	54.5	66.8	79.8	94.7	111.2
OT	5.2	11.9	19.6	34.0	42.2	54.5	66.6	79.5	94.6	111.0
Income Security (600):										
BA	6.1	10.1	14.6	20.4	23.4	26.4	32.0	36.5	40.6	45.2
OT	5.9	9.9	13.8	19.4	22.4	25.3	31.0	35.3	39.4	43.8
Social Security (650):										
BA	5.1	10.2	15.8	21.6	27.7	34.2	41.3	49.3	57.7	66.7
OT	5.1	10.2	15.8	21.6	27.8	34.3	41.2	49.2	57.8	66.9

On-budget:										
BA	12.2	19.7	27.5	35.7	44.9	54.7	65.6	78.3	92.5	107.9
OT	12.2	19.7	27.5	35.7	44.9	54.7	65.6	78.3	92.5	107.9
Off-budget:										
BA	4.9	10.0	15.5	21.3	27.3	33.7	40.7	48.6	56.9	65.8
OT	4.9	10.0	15.5	21.3	27.4	33.8	40.7	48.5	57.0	65.9
Veterans Benefits and Services (700):										
BA	12.0	13.6	18.4	27.1	26.0	24.6	32.8	35.7	38.7	43.8
OT	12.3	14.9	19.5	28.2	27.0	25.6	34.1	37.1	40.2	45.2
Administration of Justice (750):										
BA	1.0	4.3	9.9	13.3	16.6	19.7	22.8	26.0	28.2	33.3
OT	1.1	7.0	13.5	15.6	17.6	20.4	23.7	27.0	29.5	34.0
General Government (800):										
BA	2.2	....	2.3	4.5	7.3	9.9	10.3	13.0	14.7	19.2
OT	1.6	1.2	3.5	4.1	6.4	9.0	10.1	12.0	13.8	17.7
Net Interest (900):										
BA	–11.2	–17.2	–24.2	–32.7	–40.6	–48.6	–57.6	–67.4	–78.3	–89.8
OT	–11.2	–17.2	–24.2	–32.7	–40.6	–48.6	–57.6	–67.4	–78.3	–89.8
On-budget:										
BA	–5.9	–7.4	–9.2	–11.4	–12.7	–13.5	–14.7	–16.2	–18.0	–19.9
OT	–5.9	–7.4	–9.2	–11.4	–12.7	–13.5	–14.7	–16.2	–18.0	–19.9
Off-budget:										
BA	10.1	21.7	36.0	52.4	70.9	91.4	113.6	137.3	162.6	189.4
OT	10.1	21.7	36.0	52.4	70.9	91.4	113.6	137.3	162.6	189.4
Allowances (920):										
BA	–1,160.2	–1,261.2	–1,374.8	–1,411.4	–1,448.7	–1,494.7	–1,523.7	–1,580.1	–1,615.0	–1,678.8
OT	–707.9	–1,417.7	–1,682.8	–1,981.5	–2,104.3	–2,168.3	–2,227.1	–2,286.8	–2,335.3	–2,405.6
Undistributed Offsetting Receipts (950):										
BA	10.0	33.1	36.6	21.7	25.4	30.7	34.8	39.1	44.6	50.4
OT	10.0	33.1	36.6	21.7	25.4	30.7	34.8	39.1	44.6	50.4
On-budget:										
BA	10.6	36.7	39.1	18.8	21.4	25.9	28.4	31.2	35.3	39.3
OT	10.6	36.7	39.1	18.8	21.4	25.9	28.4	31.2	35.3	39.3
Off-budget:										
BA	7.5	15.9	24.9	35.4	44.7	53.9	65.7	77.1	89.4	104.5
OT	7.5	15.9	24.9	35.4	44.7	53.9	65.7	77.1	89.4	104.5

RECONCILIATION

As provided in Section 310 of the Budget Act (2 U.S.C. 641), the budget resolution instructs six authorizing committees to reconcile and report changes in law necessary to achieve the direct spending and revenue levels in the budget resolution. Each of these committees is directed to achieve aggregate direct spending, and revenue levels. The Budget Committee makes general assumptions about what each Committee will do to comply with its reconciliation instructions; however, the Committees have wide latitude to develop their legislation. The budget resolution directs: certain committees to increase spending on programs within their jurisdiction, one committee to increase the receipts, and certain committees to reduce the level of revenue the government receives. The budget resolution reflects these spending levels in its aggregates, committee allocations, and functional levels. Under the Budget Act, committees are free to adopt whatever policies they deem appropriate as long as they don't exceed the dollar limits imposed by the reconciliation instructions.

MULTIPLE RECONCILIATION BILLS

The legislation provides for five different reconciliation bills. Section Four of the resolution contains directives to the Ways and Means Committee to report three tax-only bills that must be reported to the floor by May 2nd, May 23rd, and June 20th of fiscal year 2001. Additional directives to the Ways and Means and the Energy and Commerce Committees are designed to allow those committees to reform the Medicare program and provide a prescription drug benefit. The Medicare Reforms must be reported to the House Budget Committee no later than July 24, 2001. An additional omnibus bill will be composed of submissions from six different committees that will contain both spending and revenue changes. These Committees are required to report to the Budget Committee by September 11, 2001.

TAX MEASURES

The directive to the Ways and Means Committee stipulates that the sum of the changes it makes in tax policy in each of the four bills may not reduce revenue by more than $1.62 trillion for fiscal years 2001 through 2011. Ways and Means may divide this amount among the three tax-only bills and the fourth omnibus bill in any way the committee determines. The Ways and Means Committee may also structure the tax reduction as it determines. Among the priorities for tax relief are those included in the summary budget submitted to the Congress by President Bush. A special provision permits the Ways and Means Committee to provide refundable tax provisions that would otherwise exceed the Committee's allocation as long as the cost of all the bills does not exceed the permissible amount of tax cuts—$1.62 trillion over 10 years.

MEDICARE REFORM AND PRESCRIPTION DRUGS

The Committees on Energy and Commerce and Ways and Means are directed to spend $153 billion over a ten year period to provide prescription drug benefits to senior Americans and to reform the Medicare program. This bill must be reported to the House Budget Committee by July 24, 2001; the Budget Committee will then vote whether to send it to the floor. The Budget Committee may only consider whether or not to report the measure to the House floor for consideration, the Committee may not consider amendments. The resolution assumes that the measure will be on the same magnitude as the proposal that President Bush will submit to Congress. However, if the Congressional Budget Office determines that the cost of the President's legislation, or similar legislation reported by the two committees, will exceed $153 billion, the Chairman of the Budget Committee may increase the amount available for Medicare reform and prescription drug coverage under reconciliation.

THE OMNIBUS SPENDING AND TAX LEGISLATION

The resolution also instructs six committees to report changes in programs within their jurisdiction to the Budget Committee by September 11, 2001, including a fourth tax bill reported by the Ways and Means Committee. As mentioned, though a number of committees are reconciled for either spending increases or decreases, they will choose their own methods of complying with the directives. For instance, this resolution provides the Committee on Government Reform Committee with a number reducing budget authority and outlays; however, among the possible legislation that they might consider would be an extension of a 1997-enacted increase in the federal agency contributions to the Civil Service Retirement and Disability Trust Funds made on behalf of Civil Service Retirement System participating employees. The Financial Services Committee, similarly, may report language to the Budget Committee that would permit the payment of interest on business checking accounts and sterile reserves maintained at Federal Reserve Banks and hence achieve its reconciliation instruction.

TABLE C1.—RECONCILIATION BY HOUSE COMMITTEE

[By fiscal year in millions of dollars]

	2001	2002	2003	2004	2005	2006	2001–2011
1. REVENUE BILL (REPORTED TO HOUSE BY MAY 2, 2001)							
Revenue	([1])	([1])	([1])	([1])	([1])	([1])	([1])
2. REVENUE BILL (REPORTED TO HOUSE BY MAY 23, 2001)							
Revenue	([1])	([1])	([1])	([1])	([1])	([1])	([1])
3. REVENUE BILL (REPORTED TO HOUSE BY JUNE 20, 2001)							
Revenue	([1])	([1])	([1])	([1])	([1])	([1])	([1])
4. MEDICARE (REPORTED TO HBC BY JULY 24, 2001) [2]							
Energy and Commerce:							
Direct Spending	2,500	11,200	12,900	14,800	12,500	12,800	153,000
Ways and Means:							
Direct Spending	2,500	11,200	12,900	14,800	12,500	12,800	153,000
5. OMNIBUS (REPORTED TO HBC BY SEPTEMBER 11, 2001)							
Education and the Workforce:							
Direct Spending	5	5	5	5	7	10	87
Energy and Commerce:							
Direct Spending	0	180	466	561	681	836	7,867
Financial Services:							
Revenues	0	−139	−101	−92	−96	−101	−1,112
Government Reform:							
Direct Spending	0	0	−496	−523	−501	−475	−3,871
Veterans' Affairs:							
Direct Spending	0	264	479	761	816	885	7,087
Ways and Means:							
Revenues	−5,783	−64,427	−80,036	−106,584	−130,973	−165,166	−1,625,951
Direct Spending	0	820	3,035	2,842	3,925	4,267	39,515

[1] Ways and Means is reconciled to produce changes in revenue totaling $1.6 trillion over 10 years. It may divide this amount among the four bills that will effect revenues.

[2] Each Committee is reconciled for the entire amount to provide a prescription drugs benefit which will then be combined and considered as a single bill on the House floor. In addition, the reconciled amount may be increased should additional resources be required.

SECTION BY SECTION DESCRIPTION

The Budget Resolution provides for aggregate levels of total new budget authority and outlays, total Federal revenues and the amount by which the aggregate level of Federal revenues should be increased or decreased by bills reported by the appropriate committees, the surplus or deficit, new budget authority and outlays for each major functional category, and the public debt.

The Congressional Budget Act of 1974 [Budget Act] contemplated that it might be necessary to implement a procedure, known as reconciliation, in order to implement the policies implicit in the budget resolution. Under the framework set forth in section 310 of the Budget Act, the reconciliation process has been used at various times since 1981, most notably in 1990, 1993, and 1997. Section 301(b)(2) provides the authority for this process.

This concurrent resolution on the budget provides the chairman of the Budget Committee with the authority to increase the budget aggregates, and in some cases the allocations, for specified legislation whose costs are not assumed in the allocation and/or aggregates. Absent these adjustments, any such legislation reported by the committees of jurisdiction would exceed the allocations in violation of section 302(f) of the Budget Act subjecting it to a point of order and preclude the House from considering the measure. Budget resolutions have long included these adjustments pursuant to section 301(b)(4) of the Budget Act, which permits the budget resolution to include "such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act."

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002

In accordance with section 301(a) of the Congressional Budget Act of 1974, this section revises the budget resolution for fiscal year 2001, establishes the appropriate budgetary levels for the budget year, fiscal year 2002, and each of the succeeding 9 years, fiscal years 2003 through 2011.

SECTION 2. RECOMMENDED LEVELS AND AMOUNTS

This section establishes the recommended levels for revenue, reduction in revenue, total new budget authority, total budget outlays, surpluses, and public debt. The recommended level of revenue operates as a floor against which all bills are measured pursuant to section 311 of the Congressional Budget Act of 1974. Similarly, the recommended levels of new budget authority and budget outlays serve as a ceiling on the consideration of subsequent spending. The surpluses are on-budget in that they do not reflect outlays and revenue for Social Security. The public debt aggregates refer to the portion of gross Federal debt issued by the Treasury to the public or another fund or account.

SECTION 3. MAJOR FUNCTIONAL CATEGORIES

As further required by section 301(a) of the Congressional Budget Act of 1974, section 3 establishes the appropriate budgetary levels for 20 functional categories for the current fiscal year, fiscal year 2001, the budget year, fiscal year 2002, and fiscal years 2003 through 2011. The categories correspond to those used in the President's fiscal year 2002 summary budget submission.

SECTION 4. RECONCILIATION

As provided in Section 310 of the Congressional Budget Act of 1974, the budget resolution includes reconciliation instructions to 6 authorizing committees to report changes in law necessary to achieve the direct spending and revenue levels in the budget resolution. Each of these committees is directed to achieve changes in direct spending or revenue levels.

Subsection (a) provides directives for the Committee on Ways and Means to report to the House 3 tax-related bills. The reporting dates for the 3 bills are May 2, May 23, and June 20, 2001, respectively. The total of the 3 bills and bill that is submitted to the Budget Committee under subsection (c)(F)(ii) may not exceed the specified reduction in revenue levels for each of fiscal years 2001 through 2006 and $1.62 billion over fiscal years 2001 to 2011.

Under subsection (b) the Committees on Ways and Means and Energy and Commerce are directed to submit to the Budget Committee a bill for Medicare reform and prescription drug coverage. The committees must submit their legislation by July 24, 2001. Both Committees are subject to the same dollar limitations on their submissions; the legislation may not increase new budget authority and outlays by more than specified levels in each of fiscal years 2001 through 2006 and $153 billion over 10 years. The Budget Committee anticipates that the two versions will be integrated before the bill is considered on the floor and will not exceed $153 billion over 10 years.

These reconciliation instructions do not prejudge the financing source for the above bill. It merely imposes overall dollar limits on the cost of such legislation and enables it to be considered through reconciliation procedures.

Subsection (c) reconciles the Committees on Education and the Workforce, Energy and Commerce, Financial Services, Government Reform, Veterans' Affairs, and Ways and Means to submit to the Budget Committee legislation in areas under their respective jurisdiction. The Committees must submit their recommendations to the Budget Committee by September 11, 2001. Each committee is given specific dollar limits on the amount of savings or increased spending they may submit to the Budget Committee. The limits apply to each of fiscal years 2001 to 2006 and for the total for fiscal years 2002 to 2011.

The Committee on Education and the Work Force's recommendations may not increase outlays by more than by $5 million in fiscal year 2001, $5 million in fiscal year 2002, $5 million in fiscal year

2003, $5 million in fiscal year 2004, $7 million in fiscal year 2005, $10 million in fiscal year 2006, and $87 million in fiscal years 2001 through 2011.

The House Committee on Energy and Commerce must report legislation to change laws within its jurisdiction that will not increase outlays by more than $0 million in fiscal year 2001, $180 million in fiscal year 2002, $466 million in fiscal year 2003, $561 million in fiscal year 2004, $681 million in fiscal year 2005, $836 million in fiscal year 2006, and $7.87 billion in fiscal years 2001 through 2011.

The House Committee on Financial Services must report legislation to change laws within its jurisdiction that decrease revenues by up to $0 million in fiscal year 2001, $139 million in fiscal year 2002, $101 million in fiscal year 2003, $92 million in fiscal year 2004, $96 million in fiscal year 2005, $101 million in fiscal year 2006, and $1.11 billion for fiscal years 2001 through 2011.

The House Committee on Government Reform must report legislation to change laws within its jurisdiction that decrease outlays by not more than $0 million in fiscal year 2001, $0 in fiscal year 2002, $496 million in fiscal year 2003, $523 million in fiscal year 2004, $501 million in fiscal year 2005, $475 million in fiscal year 2006, and $3.87 billion for fiscal years 2001 through 2011.

The House Committee on Veterans' Affairs must report legislation to change laws within its jurisdiction that increase outlays by up to $0 million in fiscal year 2001, $264 million in fiscal year 2002, $479 million in fiscal year 2003, $761 million in fiscal year 2004, $816 million in fiscal year 2005, $885 million in fiscal year 2006, and $7.01 billion for fiscal years 2001 through 2011.

The House Committee on Ways and Means must report legislation to change laws within its jurisdiction that increase outlays by not more than $0 million in fiscal year 2001, $820 million in fiscal year 2002, $3.04 billion in fiscal year 2003, $2.84 billion in fiscal year 2004, $3.93 billion in fiscal year 2005, $4.27 billion in fiscal year 2006, and for the period of fiscal years 2001 through 2011, $39.52 billion. The reconciliation bill is a component of the overall tax reduction of $1.6 trillion from fiscal years 2001 through 2011. (See Subsection (a)).

Subsection (d) contains a special rule that allows the chairman of the Budget Committee to make adjustments in the levels of budget authority and outlays should the bill or bills include provisions that are tax related but affect spending, in particular due to refundable tax credits like the Earned Income Credit and the Child Tax Credit.

SECTION 5. RESERVE FUND FOR EMERGENCIES

Section 5 supplants, on a one-time basis, the existing procedures for adjusting the appropriate levels in the budget resolution for amounts designated as an emergency by instituting a definition of an emergency and creating a reserve fund to fund them when they occur.

In subsection (a) the House Budget Committee chairman is required, for fiscal year 2002, to increase the allocation of new budget authority to the Appropriations Committee for emergency spending provisions as the bills come to the floor of the House. The adjustments are made for appropriations in excess of $1.92 billion for selected emergency accounts, which would be funded through the regular process. The limit on the reserve fund, which is based on a rolling average of disaster funding, is set at $5.6 billion in fiscal year 2002.

The floor reflects funding for base operations and routine disaster requirements. It is spread across four programs: the Federal Emergency Management Agency's disaster relief fund, the Department of Agriculture's fire fighting program, the Department of the Interior's firefighting program, and the Small Business Administration's disaster loan program.

It is the intent of the Budget Committee that the Appropriations and Budget Committees will develop a procedure to establish separate levels for each of the disaster accounts within the $1.92 billion threshold that could trigger adjustments out of the emergency reserve fund even though the overall threshold is not breached. Other procedures will be developed to ensure there is no disruption of the efficient operations of the Appropriations Committee and its subcommittees.

The Committee will consult extensively with the Appropriations Committee during the conference on the appropriate emergency accounts, funding thresholds, and appropriate implementing procedures.

Subsection (b) defines the term "emergency" as a situation that requires new budget authority and outlays to prevent the imminent loss of life or property or in response to the loss of life or property.

The term "unanticipated" is further defined as sudden, urgent, unforeseen and temporary.

Subsection (c) requires the Budget Committee chairman to work with the chairman of the Appropriations Committee to publish guidelines for the application of the emergency definition.

Subsection (d) authorizes the Appropriations Committee to identify emergency provisions in the report accompanying the appropriation bills.

Subsection (e) requires the Director of the Congressional Budget Office to include in its annual report to Congress on the budget and economic outlook for the upcoming budget year, a table displaying the average annual enacted levels of budget authority and outlays for the previous 5 fiscal years.

Subsection (f) suspends certain provisions of the Congressional Budget Act as they apply in the House of Representatives for fiscal year 2001 and 2002 and subsequent years.

SECTION 6. STRATEGIC RESERVE FUND

This section establishes a reserve fund for Department of Defense requirements following the President's National Defense Review and a potential reauthorization of the Federal Agriculture Improvement Act of 1996. It could also accommodate other legislation.

Subsection (a) gives the Budget Committee chairman the authority to adjust the budget resolution to accommodate specified legislation reported by the committees of jurisdiction by July 11, 2001.

The adjustments may be made for appropriations for the Department of Defense, a reauthorization of the commodity title of the

Federal Agriculture Improvement Act of 1996, and for other legislation.

In making the adjustments for the above legislation, the Budget Committee chairman must consider the recommendations of the of the President's National Defense Review and any comparable review of agricultural review of national agriculture policy. The Budget Committee is directed to consider any Statements of the Administration Policy and supplemental budget requests on any legislation for which the Committee is considering an adjustment.

The Committee assumes that a bill authorizing appropriations for the Department of Defense will lay the necessary groundwork for appropriations that will follow the President's National Defense Review. The adjustment would be for the Appropriations Committee because they would be charged with the discretionary appropriations provided to the Department of Defense.

Subsection (b) limits the adjustments to the amounts by which the legislation exceeds the appropriate committee's allocation. Consistent with legislation passed in the House earlier this year by an almost unanimous vote (H.R. 2), it precludes the chairman from making any adjustments that would cause the on budget surplus to be less than $36 billion in fiscal year 2002 and comparable amounts in the outyears.

SECTION 7. SUPPLEMENTAL RESERVE FUND FOR MEDICARE.

This section establishes a reserve fund to accommodate a more expensive Medicare bill than was reflected in the budget resolution. The Budget Committee chairman is authorized to make the adjustment for reconciliation legislation providing for Medicare reform and prescription drug coverage.

The Budget Committee chairman may not increase the allocation above the amount at which the Congressional Budget Office [CBO] estimates the President's proposal or an alternative plan submitted by the Ways and Means and Commerce Committees. CBO has not been given sufficient information by the Administration to score the President's plan. Recent data on drug spending for the Medicare population could push the cost of the bill above the levels reflected in the budget resolution.

As a further limit on the cost of the bill, the adjustment under this section may not cause the on-budget surplus in the budget resolution to be less than $36 billion in fiscal year 2002 and comparable levels in fiscal years 2003 through 2010.

In addition to adjusting the 302(a) allocations to the Ways and Means and Energy and Commerce Committees, the chairman may adjust the reconciliation instructions under section 4(b).

SECTION 8. RESERVE FUND FOR FISCAL YEAR 2001

Subsection (a) establishes a reserve fund for fiscal year 2001. The Chairman is authorized to make these adjustments. The adjustment may be made for Department of Defense shortfalls, emergency agricultural assistance, and other measures.

Subsection (b) limits the amount of the adjustments, to the amount the bill exceeds the Committee's allocation. The adjustments may also not cause the on-budget surplus to be less than $29 billion in fiscal year 2001.

SECTION 9. RESERVE FUND FOR PROMOTION OF FULL FUNDING FOR SPECIAL EDUCATION

This section establishes a reserve fund to allow additional spending for programs authorized by the Individuals with Disabilities Education Act (IDEA) in fiscal year 2001. It permits the Budget Committee chairman to increase the allocation when an appropriation increases spending for IDEA.

In order to ensure the amount is used to increase funding for IDEA, the chairman may make the adjustment if the appropriations for IDEA exceed the prior year's level ($6.37 billion). The maximum adjustment is $1.25 billion.

SECTION 10. RESERVE FUND FOR ADDITIONAL TAX CUTS AND DEBT REDUCTION

As was the case in the fiscal year 2001 budget resolution, this section permits the budget resolution to be adjusted to accommodate a larger tax cut or debt reduction if the surplus estimates increase over the course of the spring and summer.

The adjustment may only be made if the CBO estimates a larger surplus in its update of its budget and economic forecast for any fiscal years 2001 through 2011. If the estimate of the surplus does increase, the chairman may reduce the revenue totals to permit a larger tax cut or reduce the debt levels by up to the amount of the increase in the surplus. Alternatively, the Chairman could use some portion of the higher surplus to reduce the pubic debt levels in the budget resolution.

If the chairman reduces the revenue total to accommodate additional tax cuts, he may also increase the amount of the tax cuts reconciled to the Committee on Ways and Means in section 4.

SECTION 11. APPLICATION AND EFFECTS OF CHANGES IN ALLOCATIONS AND AGGREGATES.

This section sets forth the procedures for making adjustments pursuant to the reserve funds included in this resolution. Subsections (a)(1) and (2) provide that the adjustments may only be made during the interval that the legislation is under consideration and do not take effect until the legislation is actually enacted. This is consistent with the procedures for making adjustments for various initiatives under section 314 of the Congressional Budget Act of 1974.

Subsection (a)(3) provides that in order to make the adjustments under the reserve funds, the chairman must insert the adjustments in the Congressional Record.

Subsection (b) clarifies that any adjustments made under any of the reserve funds in the resolution have the same effect as if they were part of the original levels set forth in section 3. Therefore the adjusted levels are used to enforce points of order against legislation inconsistent with the allocations and aggregates included in the concurrent resolution on the budget.

Subsection (c) clarifies that the Committee on the Budget shall determine the levels and estimates used to enforce points of order, as is the case for enforcing budget-related points of order pursuant to section 312 of the Budget Act.

SECTION 12. COMPLIANCE WITH SECTION THE BUDGET ENFORCEMENT ACT OF 1990

Section 12 provides authority to include the administrative expenses related to Social Security in the allocation to the Appropriations Committee. This language is necessary to ensure that the Appropriations Committee retains control of administrative expenses through the Congressional budget process.

In the 106th Congress, the majority and minority of both the House and Senate Budget Committees decided to discontinue the inclusion of administrative expenses in the budget resolution. This change was intended to make the budget resolution consistent with CBO's baseline which does not include administrative expenses for Social Security.

While the Budget Committees decided to discontinue reflecting these administrative expenses in the budget resolution, the Committee believed that they should continue to be reflected in the 302(a) allocations to the Appropriations Committee. Absent a waiver of section 302(a) of the Budget Act, the inclusion of these expenses in the allocation is construed as violating 302(a) of the Budget Act which states that the allocations must reflect the discretionary amounts in the budget resolution (and arguably, section 13302 of the Budget Enforcement Act, which states that Social Security benefits and revenue are off-budget).

SECTION 13. RESTRICTIONS ON ADVANCE APPROPRIATIONS

This section provides for scorekeeping rules related to advance appropriations. It directs that advance appropriations be scored against the 302(a) allocations and totals in the year in which they are enacted. Previously, such appropriations were scored in the year in which the agency can obligate the appropriation.

An allowance is made for programs that by their very nature must be funded through advanced appropriations. The Budget Committee will consult with the Appropriations Committee during the Conference to identify the accounts and amounts subject to this exception.

This scoring rule achieves the same purpose as the rule against exceeding a limit on advanced appropriations included in last year's budget resolution. The Committee makes this change out of deference to the Rules Committee's interest the number of rules enforced through points of order.

SECTION 14. FEDERAL EMPLOYEE PAY

Section 14 states a sense of the House relating to Federal pay.

SECTION 15. ASSET BUILDING FOR THE WORKING POOR

Section 15 states a Sense of Congress relating to Individual Development Accounts and the working poor.

SECTION 16. FEDERAL FIRE PREVENTION ASSISTANCE

Section 16 provides a sense of Congress relating to Federal fire prevention assistance.

SECTION 17. SALES TAX DEDUCTION

Section 17 states a sense of the House regarding the deduction of state sales tax from Federal income taxes.

SECTION 18. FUNDING FOR GRADUATE MEDICAL EDUCATION AT CHILDREN'S TEACHING HOSPITALS

Section 18 states a sense of Congress regarding funding for Graduate Medical Education at Children's Hospitals.

SECTION 19. CONCURRENT RETIREMENT AND DISABILITY BENEFITS TO RETIRED MEMBERS OF THE ARMED FORCES

Section 19 states a sense of Congress regarding concurrent receipt of retirement and disability benefits to retired members of the armed forces.

THE CONGRESSIONAL BUDGET PROCESS

The spending and revenue levels established in the budget resolution are implemented through two parallel, but separate, mechanisms: allocations to the appropriations and authorizing committees, and reconciliation directives to the authorizing committees. The budget resolution may include instructions directing the authorizing committees to report legislation complying with entitlement, revenue, deficit or debt reduction targets. The report accompanying the budget resolution distributes or "allocates" amounts set forth in the budget aggregates for programs, projects and activities to the Appropriations Committee for annual appropriations and the authorizing committees if they have permanent or multiyear spending authority.

As required under Section 302(a) of the Congressional Budget Act of 1974, the discretionary spending levels established in the budget resolution are allocated to the Appropriations Committee and the mandatory spending levels are allocated to each of the authorizing committees with mandatory spending authority. These levels can be enforced through points of order as discussed in the section "Enforcing the Budget Resolution." Amounts provided under "current law" encompass programs that affect direct spending—entitlements and other mandatory programs that have spending authority or offsetting receipts. Amounts subject to discretionary action refer to programs that require subsequent legislation to provide the necessary spending authority. Amounts provided under "reauthorizations" reflect amounts assumed to reauthorize expiring mandatory programs.

This budget resolution provides for 10-year allocations of budget authority and outlays for each of the authorizing committees. Section 302 of the Congressional Budget Act of 1974 (as modified by the Balanced Budget Act of 1997) requires that allocations of budget authority be provided in the budget resolution for the first fiscal year and at least the 4 ensuing fiscal years (except for the Committee on Appropriations).

APPROPRIATIONS COMMITTEE

The report accompanying the budget resolution allocates a lump sum of discretionary budget authority assumed in the resolution and the corresponding outlays to the Committee on Appropriations. The Appropriations Committee is provided a revised allocation for the current year, fiscal year 2001, and an allocation for the upcoming budget year, Fiscal year 2001.

Term

The allocation to the Appropriations Committee is for the fiscal year commencing on October 1, 2001. Unlike the authorizing committees, the Appropriations Committee does not receive a 5-year allocation of budget authority and outlays.

Allocations

Upon receiving its 302(a) allocation, the Appropriations Committee is required to divide the allocation among its 13 subcommittees. The amount that each subcommittee receives constitutes its 302(b) allocation. The allocations are divided into general purpose discretionary, highway, mass transit, and conservation categories of spending. These division levels do not constitute separate allocations in the House and hence are not subject to points of order under section 302(f) of the Congressional Budget Act of 1974.

Adjustments Made Under the Congressional Budget Act

Section 314 of the Congressional Budget Act of 1974 establishes a process by which the budget resolution can accommodate programs for which spending authority was not assumed in the budget resolution. Section 314 directs the Chairman of the Budget Committee to make adjustments to the 302(a) allocations and the budgetary aggregates for five specified purposes. Through these adjustments, additional budget authority and outlays will be made available for Continuing Disability Reviews, special drawing rights, adoption assistance, designated emergencies, and an Earned Income Tax Credit Compliance Initiative. The Office of Management and Budget makes similar adjustments to the discretionary spending limits under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 (see the section on Statutory Controls Over the Budget).

Additional Adjustments Made Pursuant to the Budget Resolution

In addition to the adjustments made under the Congressional Budget Act, the Budget Resolution also provides the Chairman of the House Budget Committee with the authority to make certain adjustments in the aggregates and allocations.

AUTHORIZING COMMITTEES

The authorizing committees are allocated a lump sum of new budget authority along with the corresponding outlays. This spending authority must be provided through subsequent legislation and is not controlled through the annual appropriations process. The budget authority allocated to these committees is categorized as subject to “discretionary action” when the resolution assumes a new or expanded mandatory program or a reduction in an existing program.

Term

Since the spending authority for the authorizing committees is multiyear or permanent, the allocations are for the forthcoming budget year commencing on October 1st and a 10-year total for fiscal years 2002 through 2011. In addition, the report provides revised allocations for fiscal year 2001.

Allocations

As previously noted, the authorizing committees are provided a single allocation of new budget authority that is not provided through annual appropriations. They are not required to file 302(b) allocations. Bills that are first effective in Fiscal year 2001 will be measured against the revised levels for fiscal years 2001 through 2010 as set forth in this report (See Table A2: Allocation of Spending Authority to House Committee Committees Other Than Appropriations.)

ENFORCEMENT

In order to enforce these allocations, Members may raise a point of order against spending legislation that exceeds a committee's allocation (see section on Enforcing the Budget Resolution). The authorizing committees are given 10-year allocations, and hence the enforcement period for spending under section 302(f) of the Congressional Budget Act will be for the 10 years commencing from the year in which the committee's legislation is first effective. Since the Budget Resolution revises the allocations for 2001, legislation which is first effective in that year will have a ten year allocation period from fiscal years 2001 through 2010. For legislation first effective in fiscal year 2002, the period for both points of order will be fiscal years 2002 through 2011. The allocations for fiscal year 2001, fiscal year 2002, and fiscal years 2002 through 2011, are as follows:

TABLE A1.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES

[Appropriations Committee; in millions of dollars]

	2001	2002
General Purpose: [1]		
BA	640,803	651,062
OT	617,507	645,845
Highways: [1]		
BA	....	....
OT	26,920	28,512
Mass Transit: [1]		
BA	....	1,349
OT	4,639	5,273
Conservation: [1]		
BA	....	1,500
OT	....	1,345
Total Discretionary Action:		
BA	640,803	653,911
OT	649,066	680,975
Current Law Mandatory:		
BA	332,768	357,786
OT	316,432	350,418

[1] Shown for display purposes only.

TABLE A2.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES

[Committees other than Appropriations; millions of dollars]

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total 2002–2011
Agriculture Committee:												
Current Law:												
BA	21,035	14,020	3,570	3,436	3,486	3,537	3,580	3,362	3,855	3,997	4,062	46,905
OT	17,238	10,701	67	–11	–8	33	38	–284	361	720	830	12,447
Reauthorizations:												
BA	0	0	30,479	31,321	31,777	31,732	30,897	30,574	31,331	31,972	32,579	282,662
OT	0	0	29,137	31,222	31,690	31,654	30,825	30,507	31,268	31,918	32,533	280,754
Total:												
BA	21,035	14,020	34,049	34,757	35,263	35,269	34,477	33,936	35,186	35,969	36,641	329,567
OT	17,238	10,701	29,204	31,211	31,682	31,687	30,863	30,223	31,629	32,638	33,363	293,201
Armed Services Committee:												
Current Law:												
BA	50,884	52,630	59,578	61,763	63,987	66,156	68,382	70,624	72,894	75,262	77,684	668,960
OT	50,761	52,536	59,494	61,675	63,905	66,070	68,293	70,535	72,806	75,177	77,599	668,090
Financial Services Committee:												
Current Law:												
BA	9,629	6,697	6,978	6,404	6,189	5,904	5,833	5,668	5,637	5,737	5,865	60,912
OT	4,149	1,366	1,228	763	187	–710	–886	–1,092	–1,147	–1,196	–1,245	–2,732
Committee on Education and the Workforce:												
Current Law:												
BA	5,408	5,698	4,774	4,123	5,099	5,302	5,396	5,498	5,624	5,752	5,867	53,133
OT	4,544	5,049	4,627	4,137	4,519	4,844	4,901	4,997	5,116	5,236	5,342	48,768
Discretionary Action:												
BA	5	5	5	5	7	10	10	10	10	10	10	82
OT	5	5	5	5	7	10	10	10	10	10	10	82
Reauthorizations:												
BA	0	305	305	757	774	793	3,640	3,731	3,820	3,914	4,012	22,051
OT	0	58	244	669	772	790	2,789	3,622	3,794	3,887	3,984	20,609
Total:												
BA	5,413	6,008	5,084	4,885	5,880	6,105	9,046	9,239	9,454	9,676	9,889	75,266
OT	4,549	5,112	4,876	4,811	5,298	5,644	7,700	8,629	8,920	9,133	9,336	69,459
Energy and Commerce Committee:												
Current Law:												
BA	1,852	9,774	11,636	16,674	17,773	17,853	18,852	13,903	13,891	13,928	13,967	148,251

OT	3	9,660	10,240	16,538	17,592	17,687	17,867	17,189	17,594	14,925	13,919	153,211
Discretionary Action:												
BA	0	227	527	627	752	902	977	975	1,050	1,125	1,175	8,337
OT	0	180	466	561	681	836	926	1,011	1,030	1,061	1,115	7,867
Reauthorizations:												
BA	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	20,000
OT	0	0	0	0	0	0	0	893	833	3,721	4,993	10,440
Total:												
BA	1,852	10,001	12,163	17,301	18,525	18,755	19,829	19,878	19,941	20,053	20,142	176,588
OT	3	9,840	10,706	17,099	18,273	18,523	18,793	19,093	19,457	19,707	20,027	171,518
Government Reform Committee:												
Current Law:												
BA	60,669	62,982	65,455	68,016	70,498	73,038	75,736	78,477	81,347	84,403	87,520	747,472
OT	59,270	61,610	64,142	66,808	69,358	71,963	74,709	77,574	80,423	83,676	86,797	737,060
Discretionary Action:												
BA	0	0	−496	−523	−501	−475	−446	−413	−378	−340	−299	−3,871
OT	0	0	−496	−523	−501	−475	−446	−413	−378	−340	−299	−3,871
Total:												
BA	60,669	62,982	64,959	67,493	69,997	72,563	75,290	78,064	80,969	84,063	87,221	743,601
OT	59,270	61,610	63,646	66,285	68,857	71,488	74,263	77,161	80,045	83,336	86,498	733,189
Committee on House Administration:												
Current Law:												
BA	112	87	89	86	87	87	87	88	88	88	88	875
OT	68	33	60	252	42	27	59	221	88	70	64	916
International Relations Committee:												
Current Law:												
BA	11,390	11,727	11,813	11,829	12,114	12,369	12,694	12,661	12,607	12,586	12,629	123,029
OT	10,463	10,482	10,599	10,838	11,039	11,281	11,607	11,817	11,935	12,005	12,078	113,681
Resources Committee:												
Current Law:												
BA	2,682	2,742	2,552	2,291	2,324	2,363	2,507	2,512	2,624	2,728	2,691	25,334
OT	2,551	2,636	2,662	2,354	2,312	2,330	2,455	2,443	2,550	2,656	2,614	25,012
Discretionary Action:												
BA	0	0	84	86	89	92	0	0	0	0	0	351
OT	0	0	−37	8	54	86	130	81	31	0	0	353
Total:												
BA	2,682	2,742	2,636	2,377	2,413	2,455	2,507	2,512	2,624	2,728	2,691	25,685
OT	2,551	2,636	2,625	2,362	2,366	2,416	2,585	2,524	2,581	2,656	2,614	25,365

TABLE A2.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES—Continued

[Committees other than Appropriations; millions of dollars]

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total 2002–2011
Judiciary Committee:												
Current Law:												
BA	5,064	5,221	4,346	4,410	4,410	4,416	4,475	4,543	4,630	4,706	4,782	45,939
OT	4,847	4,695	4,541	4,469	4,444	4,392	4,415	4,425	4,494	4,556	4,632	45,063
Transportation and Infrastructure Committee:												
Current Law:												
BA	52,510	54,571	51,777	10,815	10,930	11,154	11,273	11,890	12,198	12,437	12,798	199,843
OT	9,662	9,781	9,901	9,868	9,643	9,545	9,487	9,967	10,194	10,378	10,690	99,454
Reauthorizations:												
BA	0	0	0	41,114	41,114	41,114	41,114	41,114	41,114	41,114	41,114	328,912
OT	0	0	0	86	307	495	569	601	620	633	639	3,950
Total:												
BA	52,510	54,571	51,777	51,929	52,044	52,268	52,387	53,004	53,312	53,551	53,912	528,755
OT	9,662	9,781	9,901	9,954	9,950	10,040	10,056	10,568	10,814	11,011	11,329	103,404
Science Committee:												
Current Law:												
BA	158	192	213	72	74	77	78	80	81	84	85	1,036
OT	66	104	147	179	197	145	97	79	80	83	83	1,194
Small Business Committee:												
Current Law:												
BA	–375	0	0	0	0	0	0	0	0	0	0	0
OT	–475	–100	–100	0	0	0	0	0	0	0	0	–200
Veterans' Affairs Committee:												
Current Law:												
BA	1,249	1,356	1,358	1,365	1,356	1,349	1,344	1,335	1,301	1,271	1,243	13,278
OT	1,041	1,195	1,220	1,259	1,262	1,274	1,300	1,303	1,277	1,261	1,240	12,591
Discretionary Action:												
BA	0	264	479	761	816	885	953	1,008	594	640	687	7,087
OT	0	264	479	761	816	885	953	1,008	594	640	687	7,087
Reauthorizations:												
BA	0	445	1,035	1,641	2,431	2,888	3,211	4,012	4,644	5,294	5,963	31,564
OT	0	407	985	1,590	2,355	2,798	3,111	3,960	4,591	5,240	5,907	30,944
Total:												
BA	1,249	2,065	2,872	3,767	4,603	5,122	5,508	6,355	6,539	7,205	7,893	51,929

OT	1,041	1,866	2,684	3,610	4,433	4,957	5,364	6,271	6,462	7,141	7,834	50,622
Ways and Means Committee:												
Current Law:												
BA	697,787	684,366	680,440	697,193	718,687	729,999	752,688	771,900	791,581	810,744	831,149	7,468,747
OT	696,886	684,537	679,418	695,843	716,988	728,179	751,350	770,209	789,680	809,335	829,471	7,455,010
Reauthorizations:												
BA	0	285	19,793	19,994	20,001	20,007	20,014	20,022	20,036	20,045	20,053	180,250
OT	0	208	20,036	20,913	21,121	21,227	21,284	21,342	21,356	21,365	21,373	190,225
Discretionary Action:												
BA	2,500	11,200	12,900	14,800	12,500	12,800	13,400	15,500	16,700	19,700	23,500	153,000
Medicare Reform: [1]												
OT	2,500	11,200	12,900	14,800	12,500	12,800	13,400	15,500	16,700	19,700	23,500	153,000
Discretionary Action:												
BA	0	1,041	3,089	2,834	3,879	4,247	4,984	4,983	4,945	4,902	4,862	39,766
Other: [1]												
OT	0	820	3,035	2,842	3,925	4,267	4,994	4,973	4,935	4,882	4,842	39,515
Total:												
BA	700,287	696,892	716,222	734,821	755,067	767,053	791,086	812,405	833,262	855,391	879,564	7,841,763
OT	699,386	696,765	715,389	734,398	754,534	766,473	791,028	812,024	832,671	855,282	879,186	7,837,750

[1] Shown for display purposes only.

ENFORCING THE BUDGET RESOLUTION

The budget resolution is more than a planning document. The allocations of spending authority and the aggregate levels of both spending authority and revenues are binding on the Congress when it considers subsequent spending and tax legislation. Legislation that would breach the levels set forth in the budget resolution is subject to points of order on the floor.

Any Member of the House may raise a point of order against any tax or spending legislation that creates new entitlement authority during certain points in a calendar year, or breeches the allocations and aggregate spending levels established in the budget resolution. If the point of order is sustained, the House is precluded from further consideration of the measure.

The major Budget Act requirements are as follows:

Section 302(f)

Section 302 of the Congressional Budget Act prohibits the consideration of legislation that exceeds a committee's allocation of new budget authority. Section 302(f) applies to the budget year and the 10-year total for authorizing committees. For appropriations bills, however, it applies only to the budget year. The budget year is the first fiscal year to which a concurrent resolution on the budget applies. An exception is provided for legislation that is offset by tax increases above and beyond those required by the budget resolution.

Section 303(a)

This section prohibits the consideration of spending and tax legislation before the House has passed a budget resolution. Section 303(a) does not apply to budget authority and revenue provisions first effective in an outyear or to appropriation bills after May 15.

Section 311(a)(1)

Section 311(a)(1) prohibits the consideration of legislation that exceeds the ceiling on budget authority and outlays or reduces revenue below the revenue floor. Section 311(a)(1) applies to the budget year and 10-year total for bills increasing revenue, but only to the budget year for appropriations bills. Section 311 does not apply to spending bills that do not breach the committee's 302(a) allocations.

Section 401(a)

This section of the Congressional Budget Act prohibits the consideration of legislation providing borrowing authority, new credit authority, or contract authority that is not subject to discretionary appropriations.

Section 401(b)(1)

This section prohibits the consideration of legislation creating new entitlement authority in the year preceding the budget year. Section 401(b)(1) does not apply to trust funds primarily financed by earmarked taxes.

Section 312

Under sections 312 of the Budget Act, the Budget Committee advises the presiding officer on the application of points of order against specific legislation pending before the House. House Budget Committee rules also authorize the chairman to poll the committee on recommendations to the Rules Committee to enforce the budget resolution by not waiving the applicable points of order during the consideration of specific measures.

STATUTORY CONTROLS OVER THE BUDGET

In addition to the allocations and aggregate spending levels in the budget resolution, the Federal budget is subject to statutorily established spending limits and budgetary controls. The Balanced Budget Act of 1997 revised and extended the caps on discretionary spending as well as the pay-as-you-go [PAYGO] requirements for entitlement and tax legislation. Both the spending caps and PAYGO requirements are enforced with automatic spending cuts through a process known as sequestration. However, both PAYGO and the discretionary caps are set to expire after fiscal year 2002. The President has recommended in his most recent budget submission to extend both the PAYGO regimen and the discretionary spending limits through 2006. The general purpose discretionary caps expire after fiscal year 2002, though certain categories of discretionary spending which have separate caps extend beyond that date. Though the PAYGO scorecard includes levels through fiscal year 2006, it only applies to legislation enacted prior to the end of fiscal year 2002, since direct spending and revenue legislation typically have effects beyond the year in which they are passed. The PAYGO scorecard reflects these out-year budgetary consequences.

DISCRETIONARY SPENDING LIMITS

Under the Balanced Budget and Emergency Deficit Control Act of 1985, there is a general purpose discretionary spending limit in place for fiscal year 2002. Included within the 1998 highway authorization bill ("Transportation Equity Act for the 21st Century" or TEA 21) were separate categories for highway and mass transit spending for fiscal years 1999 through 2003.

In addition, in H.R.4578, the Department of the Interior and Related Agencies Appropriations Act of 2001, a new spending limit was created specifically for a conservation category of discretionary appropriations. While the overall discretionary spending limits lapse after fiscal year 2002, the conservation category spending caps extend through fiscal year 2006.

The Deficit Control Act provides automatic adjustments to the spending caps for bills providing appropriations (subject to certain limitations) for emergencies, estimating differences in outlays, continuing disability reviews, the International Monetary Fund [IMF], adoption incentive payments, and an Earned Income Tax Credit compliance initiative. Similarly, TEA 21 provides for an automatic cap adjustment for changes in revenue relating to the highway spending category. Additionally, the legislation creating the Conservation category provides an adjustment in that category to any sub-category spending limit when an appropriation bill provides less than the maximum amount for that sub-category. In that case, the spending limit for the fiscal year following that year's appropriation is increased by the difference between the spending cap of the sub-category and the actual amount appropriated.

Discretionary spending in 2002 will be significantly higher than the current law spending limits, as adjusted. The President, in his budget submission, has proposed, and the Congress will consider, whether to extend these the discretionary spending limits beyond fiscal year 2002.

For 2002, CBO estimates the total limits on discretionary spending to be $552 billion for budget authority and $576 billion for outlays. In comparison, those caps are below the adjusted 2001 limits by $89 billion and $69 billion, respectively.

CURRENT STATUTORY CAPS BY BUDGET ENFORCEMENT ACT CATEGORY

[In millions of dollars]

	[1]2001	2002	2003	2004	2005	2006
Discretionary Category:[1]						
BA	640,803	550,035	na	na	na	na
Outlay	613,883	540,353	na	na	na	na
Highway Category:[2]						
BA	na	na	na	na	na	na
Outlay	26,920	28,889	27,728	na	na	na
Mass Transit Category:[2]						
BA	na	na	na	na	na	na
Outlay	4,639	5,490	6,256	na	na	na
Conservation Category:						
BA	na	1,760	1,920	2,080	2,240	2,400
Outlay	na	1,232	1,872	2,032	2,192	2,352
Total Discretionary Spending Limits as of January 25, 2001:						
BA	640,803	551,795	na	na	na	na
Outlay	645,442	575,964	na	na	na	na

Source: Congressional Budget Office.

Note: The discretionary spending limits expire in 2002. The category limits in Highway, Mass Transit and Conservation displayed beyond that fiscal year are the statutory levels and have not been adjusted by either the Congressional Budget Office or the Office of Management and Budget.

[1] This category comprises defense, nondefense, and violent crime reduction spending.

[2] The highway and mass transit categories do not have budget authority limits. Obligation limitations, which are not counted as budget authority, control all of the spending in the highway category and most of the spending in the mass transit category.

PAY-AS-YOU-GO REQUIREMENTS

The Omnibus Budget Reconciliation Act of 1990 established a pay-as-you-go [PAYGO] requirement for tax and entitlement legislation. Under PAYGO, the sum of all tax and entitlement (or otherwise mandatory) legislation may not increase the net deficit in any fiscal year. The Balanced Budget Act of 1997 extended the PAYGO requirements through fiscal year 2002. As amended by the Omnibus Budget Reconciliation Act of 1993, PAYGO had been scheduled to expire at the end of fiscal year 1998. PAYGO is enforced through a sequestration applied to all non-exempt entitlement programs. At the end of the 106th Congress, the President signed the Consolidated Appropriations Act of 2001 (P.L. 106–554). This required that the pay-as-you-go balances that would have resulted in a significant sequester for FY 2001 be set to zero in the final sequestration report prepared by the Office of Management and Budget. There are currently the following balances on the pay-as-you-go scorecard. Agsent offsets, these balances would trigger a sequester each of fiscal years 2002 through 2006.

PAY-AS-YOU-GO SCORECARD

[In millions of dollars]

	2000	2001	2002	2003	2004	2005	2005–2006
Receipt Effect	0	0	–3,863	–3,920	–3,596	–3,820	–15,199
Outlay Effect	0	0	12,190	14,545	15,740	16,853	59,328
Net Budget Cost	0	0	16,053	18,465	19,336	20,673	74,527

Source: Office of Management and Budget as of March 15, 2001.

Note: Pursuant to P.L. 106–554, the pay-as-you-go balances that would result in a sequester for FY 2001 were set to zero in OMBs final sequestration report. Positive value indicates sequester would be required unless offsets are enacted. Negative value indicates balances of savings available as offsets.

VOTES OF THE COMMITTEE

Clause 3(b) of House Rule XIII requires each committee report to accompany any bill or resolution of a public character, ordered to include the total number of votes cast for and against on each roll call vote, on a motion to report and any amendments offered to the measure or matter, together with the names of those voting for and against. Listed below are the roll call votes taken in the House Budget Committee on the concurrent resolution on the budget for fiscal year 2002.

On March 21, 2001 the Committee met in open session, a quorum being present. The committee adopted and ordered reported the Concurrent Resolution on the Budget for Fiscal year 2002. The following votes were taken in Committee:

Mr. Sununu asked unanimous consent that the Chairman be authorized, consistent with clause 4 of House Rule XVI, to declare a recess at any time during the Committee meeting.

There was no objection to the unanimous consent request.

Chairman Nussle asked unanimous consent to dispense with the first reading of the resolution and that the budget aggregates, functional cetagories, and other relevant items be open for amendment at any time.

There was no objection to the unanimous consent request.

1. Mr. Spratt offered an amendment to adjust the aggregate level of revenues by $44 billion for fiscal year 2002 and $883 billion for fiscal years 2002 through 2011. The amendment would replace the reconciliation directive in section 4 of the Chairman's Mark language. The amendment directed that before April 30, 2001, the House Committee on Ways and Means report to the House a reconciliation bill that consists of changes in laws within its jurisdiction which removes the Federal Hospital Insurance Trust Fund from the on-budget portion of the unified Federal budget. It also required that all of the Social Security surplus in each fiscal year from 2002 through 2011 would be used to purchase special non-marketable Treasury bonds to be used only to pay for Social Security benefits stipulated in current law. It also provided that all of the Federal Hospital Insurance Trust Fund surplus in each fiscal year from 2002 through 2011 be used to purchase similar special non-marketable bonds from the Treasury to pay for Medicare Hospital Insurance benefits stipulated in current law. The amendment further required that the Treasury use the proceeds of sales of special non-marketable bonds to the Social Security and Medicare Hospital Insurance trust fund exclusively for buying back publicly held debt.

The amendment dictated that before May 13, 2001, the House Committee on Ways and Means submit legislation to the House

Committee on the Budget providing for annual remittance from the General Fund of the Treasury to the Hospital Insurance (Medicare Part A) Trust Fund and to the Old Age and Survivors Insurance Trust Fund of an amount equal to $910 billion from fiscal year 2002 through fiscal year 2011, equally divided between the two trust funds, to extend their solvency until at least 2050 for Social Security and 2040 for Medicare. Prior to May 25, 2001, the House Committee on Ways and Means shall report to the House a reconciliation bill that consists of changes in laws within its jurisdiction to accomplish tax relief of $23 billion in 2002 and $737 billion over the 10-year period of fiscal years 2002 through 2011. The amendment would in addition set all spending functions in the budget resolution at baseline levels to maintain the constant purchasing power as stipulated by the Congressional Budget Office's March baseline with the exception of Function 900, net interest, which is adjusted to reflect as necessary the tax cut and remittances for Social Security and Medicare solvency as called for in the preceding part of the amendment. The amendment provided general language for the creation of a reserve fund to provide resources for a number of spending areas.

The amendment offered by Mr. Spratt was not agreed to by voice vote.

2. Mr. Bentsen offered an amendment for the protection of existing Social Security and Medicare benefits. The amendment directed that before April 30, 2001, the House Committee on Ways and Means report to the House a reconciliation bill that consists of changes in laws within its jurisdiction which removes the Federal Hospital Insurance Trust Fund from the on-budget portion of the unified Federal budget. It also required that all of the Social Security surplus in each fiscal year from 2002 through 2011 would be used to purchase special non-marketable Treasury bonds to be used only to pay for Social Security benefits stipulated in current law. It also provided that all of the Federal Hospital Insurance Trust Fund surplus in each fiscal year from 2002 through 2011 be used to purchase similar special non-marketable bonds from the Treasury to pay for Medicare Hospital Insurance benefits stipulated in current law. The amendment further required that the Treasury use the proceeds of sales of special non-marketable bonds to the Social Security and Medicare Hospital Insurance trust fund exclusively for buying back publicly held debt.

The amendment also created a point of order in the House of Representatives and in the Senate against bills or budget resolutions which would cause or set forth a surplus at a lower level than the amount in the Federal Hospital Insurance Trust Fund.

The amendment offered by Mr. Bentsen was not agreed to on a roll call vote of 19 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. HOEKSTRA				Mr. THOMPSON			
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY			
Mr. TOOMEY		X		Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS				Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT			
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

3. Mr. Moore offered an amendment to provide for the solvency of Social Security and Medicare. The amendment directed that before April 30, 2001, the House Committee on Ways and Means report to the House a reconciliation bill that consists of changes in laws within its jurisdiction which removes the Federal Hospital Insurance Trust Fund from the on-budget portion of the unified Federal budget. It also required that all of the Social Security surplus in each fiscal year from 2002 through 2011 would be used to purchase special non-marketable Treasury bonds to be used only to pay for Social Security benefits stipulated in current law. It also provided that all of the Federal Hospital Insurance Trust Fund surplus in each fiscal year from 2002 through 2011 be used to purchase similar special non-marketable bonds from the Treasury to pay for Medicare Hospital Insurance benefits stipulated in current law. The amendment further required that the Treasury use the proceeds of sales of special non-marketable bonds to the Social Se-

curity and Medicare Hospital Insurance trust fund exclusively for buying back publicly held debt. The amendment dictated that before May 13, 2001, the House Committee on Ways and Means submit legislation to the House Committee on the Budget providing for annual remittance from the General Fund of the Treasury to the Hospital Insurance (Medicare Part A) Trust Fund and to the Old Age and Survivors Insurance Trust Fund of an amount equal to $910 billion from fiscal year 2002 through fiscal year 2011, equally divided between the two trust funds, to extend their solvency.

The amendment offered by Moore was not agreed to by a roll call vote of 17 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON			
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN			
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY		X		Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE				Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK							

4. Mr. Matheson offered an amendment to reduce the level of tax reduction and increase the amount of debt reduction. The amendment reduced the size of the tax reduction in the Chairman's Mark by $33.6 billion in fiscal year 2002 and by $810 billion for the period between fiscal years 2002 and 2005. The amendment provides an equal amount for debt reduction in fiscal year 2002 and the period between fiscal years 2002 and 2005. The amendment dictated that before May 13, 2001, the House Committee on Ways and Means submit legislation to the House Committee on the Budget providing for annual remittance from the General Fund of the Treasury to the Hospital Insurance (Medicare Part A) Trust Fund and to the Old Age and Survivors Insurance Trust Fund of an amount equal to $910 billion from fiscal year 2002 through fiscal year 2011, equally divided between the two trust funds, to extend their solvency until at least 2050 for Social Security and 2040 for Medicare. Prior to May 25, 2001, the House Committee on Ways and Means shall report to the House a reconciliation bill that consists of changes in laws within its jurisdiction to accomplish tax relief of $23 billion in 2002 and $737 billion over the 10-year period of fiscal years 2002 through 2011. The amendment strikes the reconciliation instruction in section 4 and inserts additional language that would provides a directive to the Ways and Means Committee to report a bill which provides tax relief of $33.6 billion in fiscal year 2002 and $810 billion over the 10-year period of fiscal years 2002 through 2011. It also requires the Ways and Means Committee to report legislation that reserves a portion of the non-Social Security, non-Medicare Hospital Insurance Trust fund equal at least to $810 billion over the 10-year period fiscal year 2002 through fiscal year 2011 for buying back publicly held debt.

The amendment offered by Mr. Matheson was not agreed to by a roll call vote of 16 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON			
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE			
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN			
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY		X		Ms. BALDWIN	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE				Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

5. Mr. McDermott offered an amendment to create voluntary universal Medicare Coverage for Prescription Drugs and Cost-Sharing protections for Low-Income Americans. The amendment increases the budget authority function 550, in billions of dollars, by $.1 billion in 2002, $.7 billion in 2003, $2.6 billion in 2004, $5 billion in 2005, $6 billion in 2006, $6.1 billion in 2007, $6.4 billion in 2008, $6.7 billion in 2009, $7.1 billion in 2010 and $7.3 billion in 2011. The amendment increases the outlays in functions 550 and 570 by $.1 billion in 2002, $.7 billion in 2003, $2.6 billion in 2004, $5 billion in 2005, $6 billion in 2006, $6.1 billion in 2007, $6.4 billion in 2008, $6.7 billion in 2009, $7.1 billion in 2010 and $7.3 billion in 2011. The amendment increases budget authority in function 570 by zero in 2002, $14.2 billion in 2003, $21.9 billion in 2004, $25 billion in 2005, $28.4 billion in 2006, $32.5 billion in 2007, $37 billion in 2008, $41.9 billion in 2009, $47.4 billion in 2010, $53.7 billion in 2011. The amendment increases outlays in function 570 by zero in 2002, $14.2 billion in 2003, $21.9 billion in 2004, $25 billion in 2005, $28.4 billion in 2006, $32.5 billion in 2007, $37 billion in 2008, $41.9 billion in 2009, $47.4 billion in 2010, $53.7 billion in 2011.

The amendment offered by Mr. McDermott was not agreed to agreed to by a roll call vote of 16 ayes and 24 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY			
Mr. TOOMEY		X		Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY			
Mr. HASTINGS		X		Mr. MOORE			
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON			
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

6. Mr. Honda offered an amendment to reduce revenue and increase spending to reflect increased budget authority and outlays for the education function. The amendment increases budget authority in function 500, in billions of dollars, by $4.218 in 2002, $4.994 in 2003, $5.810 in 2004, $6.721 in 2005, $7.417 in 2006, $8.171 in 2007, $8.990 in 2008, $9.893 in 2009, $10.880 in 2010, and $11.973 in 2011. The amendment increases outlays in function 500, in billions of dollars, by $.446 in 2002, $1.844 in 2003, $3.359 in 2004, $4.935 in 2005, $6.049 in 2006, $6.931 in 2007, $7.712 in 2008, $8.454 in 2009, $9.062 in 2010, $9.899 in 2011. These increases were for the purpose of increasing Pell Grants, training, recruiting and hiring new teachers, and school construction through loans, grants, and tax credits. The amendment increased the level of revenue relative to the Chairman's Mark by an amount equal to the increases in outlays changes in function 500. It further reserved amounts within the remaining tax reduction for tax credits to eliminate the costs of bonds used to pay for school construction, or renovation of existing facilities in the following amounts: –$19 million for 2002, –$101 million for 2003, –$269 million for 2004,

–$533 for 2005, –$821 million for 2006, –$988 million for 2007, –$1,025 million for 2007, –$1,025 million for 2008, –$1,025 million for 2009, –$1,025 million for 2010, –$1,025 million for 2011.

The amendment offered by Mr. Honda was not agreed to by a roll call vote of 17 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN			
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY		X		Ms. BALDWIN	X		
Mr. WATKINS				Mrs. McCARTHY			
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

7. Ms. Clayton offered an amendment to increase budget authority in function 600 and to increase the level of revenues provided for in the Chairman's Mark by an equal amount. The level of the increases in budget authority in the function are as follows, in billions of dollars: $1.453 in 2002, $6.174 in 2003, $6.843 in 2004, $7.210 in 2005, $7.509 in 2006, $7.644 in 2007, $8.055 in 2008, $8.365 in 2009, $8.856 in 2010, $9.123 in 2011. The level of in-

creases in outlays in the function are as follows, in billions of dollars: $1.076 in 2002, $6.094 in 2003, $6.783 in 2004, $7.185 in 2005, $7.514 in 2006, $7.674 in 2007, $8.095 in 2008, $8.440 in 2009, $8.633 in 2010, $9.193 in 2011. These increases were for the purposes of spending more on the Earned Income Credit, Food Stamps, Supplemental Grants within the Temporary Assistance to Needy Families program and giving Supplemental Security Insurance and foods stamp benefits to legal immigrants. The amendment also increased function 500 in millions of dollars by the following amounts: In budget authority, $680 in 2002, $680 in 2003, $680 in 2004, $680 in 2004, $680 in 2005, $680 in 2006, $680 in 2007, $680 in 2008, $680 in 2009, $680 in 2010, $680 in 2011; and in outlays, $510 in 2002, $680 in 2003, $680 in 2004, $680 in 2005, $680 in 2006, $680 in 2007, $680 in 2008, $680 in 2009, $680 in 2010, $680 in 2011. The amendment would also increase the level of spending in function 550 by the following amounts in billions of dollars: In budget authority, $400 in 2002, $210 in 2003, $410 in 2004, $640 in 2005, $890 in 2006, $1,180 in 2007, $1,495 in 2008, $1,850 in 2009, $2,245 in 2010, and $2,268 in 2011; and in outlays by $400 in 2002, $210 in 2003, $410 in 2004, $640 in 2005, $890 in 2006, $1,180 in 2007, $1,495 in 2008, $1,850 in 2009, $2,245 in 2010, and $2,268 in 2011. The amendment further proposes to increase the level of revenues relative to the Chairman's Mark by the amounts of the preceding spending increases, and then reserve within the remaining tax reduction the following amounts for the Earned Income Credit: –$78 million in 2002, –$4,992 million in 2003, –$5,148 in 2004, –$5,304 in 2007, –$5,304 in 2008, –$5,304 in 2009, –$5,304 in 2010, –$5,304 in 2011.

The amendment offered by Ms. Clayton was not agreed to by a voice vote.

8. Ms. Clayton offered an amendment to increase budget authority in function 600 and to increase the level of revenues provided for in the Chairman's Mark by an equal amount. The level of the increases in budget authority in the function are as follows, in billions of dollars: $9 in 2002, $4 in 2003, $4 in 2004, $4 in 2005, $4 in 2006, $4 in 2007, $4 in 2008, $4 in 2009, $4 in 2010, $4 in 2011 and in outlays in the function, in billions of dollars: $9 in 2002, $4 in 2003, $4 in 2004, $4 in 2005, $4 in 2006, $4 in 2007, $4 in 2008, $4 in 2009, $4 in 2010, $4 in 2011. The amendment increases the revenue level relative to the Chairman's Mark by an amount equal to the foregoing outlay changes. These spending increases in the function are for the purpose of increasing assistance to agriculture programs.

The amendment offered by Mrs. Clayton was not agreed to by a roll call vote of 16 ayes and 21 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS			
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA			
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS				Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN				Mr. HONDA			
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

9. Ms. Baldwin offered an amendment to increase spending levels of function 550 and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in billions of dollars: zero in 2002, $1 in 2003, $2 in 2004, $3 in 2005, $5 in 2006, $10 in 2007, $9 in 2008, $8 in 2009, $9 in 2010, and $9 in 2011. The level of the increases in outlays in the function are as follows, in billions of dollars: zero in 2002, $1 in 2003, $2 in 2004, $3 in 2005, $5 in 2006, $10 in 2007, $9 in 2008, $8 in 2009, $9 in 2010, and $9 in 2011. The amendment increases the revenue level relative to the Chairman's Mark by an amount equal to the foregoing outlay changes. The purpose of the spending increases in the function are for the purpose of increasing assistance to states for the State Child Health Insurance Program or for Medicaid that allows states to provide health coverage to parents of children who are eligible for those programs.

The amendment offered by Ms. Baldwin was not agreed to by a roll call vote of 15 ayes and 21 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON			
Mr. BASS		X		Mr. BENTSEN			
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA			
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS				Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN				Mr. HONDA			
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

10. Mr. Holt offered an amendment to increase spending levels of function 300 and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: $260 in 2002, $420 in 2003, $580 in 2004, $640 in 2005, $800 in 2006, $817 in 2007, $835 in 2008, $855 in 2009, $873 in 2010, $893 in 2011; the level of the increases in outlays in the function are as follows, in millions of dollars: $124 in 2002, $276 in 2003, $459 in 2004, $572 in 2005, $702 in 2006, $771 in 2007, $822 in 2008, $840 in 2009, $859 in 2010, $878 in 2011. The amendment increases the revenue level relative to the Chairman's Mark by an amount equal to the foregoing outlay changes. The increase in spending levels in the

function are provided for a increase in land conservation, preservation and infrastructure improvements.

The amendment offered by Mr. Holt was not agreed to by a roll call vote of 17 ayes and 21 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS			
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA			
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS				Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK				Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

11. Mr. Holt offered an amendment to increase spending levels of function 250 and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: $1,000 in 2002, $1,023 in 2003, $1,042 in 2004, $1,065 in 2005, $1,089 in 2006, $1,112 in 2007, $1,136 in 2008, $1,159 in 2009, $1,182 in 2010, $1,206 in 2011. The level of the increases in outlays in the function are as follows, in millions of dollars: 518 in 2002, 921 in 2003, 997

in 2004, $1,032 in 2005, $1,060 in 2006, $1,085 in 2007, $1,109 in 2008, $1,132 in 2009, $1,154 in 2010, $1,178 in 2011. The amendment increases the revenue level relative to the Chairman's Mark by an amount equal to the foregoing outlay changes. The increase in the spending levels in the function are provided for greater scientific research funding.

The amendment offered by Mr. Holt was not agreed to by a roll call vote of 19 ayes and 21 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK				Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK							

12. Mr. Clement offered an amendment to increase spending levels of function 050, 600, and 700; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in function 050 are as follows, in millions of dol-

lars: $943 in 2002, $1,037 in 2003, $1,129 in 2004, $1,230 in 2005, $1,326 in 2006, $1,424 in 2007, $1,524 in 2008, $1,630 in 2009, $1,736 in 2010, $1,857 in 2011. The level of the increases in outlays in the function are as follows, in millions of dollars: $943 in 2002, $1,037 in 2003, $1,129 in 2004, $1,230 in 2005, $1,326 in 2006, $1,424 in 2007, $1,524 in 2008, $1,630 in 2009, $1,736 in 2010, $1,857 in 2011. The level of the increases in budget authority in function 600 are as follows, in millions of dollars: $2,879 in 2002, $3,090 in 2003, $3,319 in 2004, $3,559 in 2005, $3,783 in 2006, $4,021 in 2007, $4,275 in 2008, $4,524 in 2009, $4,789 in 2010, and $5,069 in 2011. The level of the increases in outlays in the function are as follows, in millions of dollars: $2,876 in 2002, $3,090 in 2003, $3,319 in 2004, $3,559 in 2005, $3,783 in 2006, $4,021 in 2007, $4,275 in 2008, $4,524 in 2009, $4,789 in 2010, and $5,069 in 2011. The level of the increases in budget authority in function 700 are as follows, in millions of dollars: zero in 2002, $870 in 2003, $986 in 2004, $1,073 in 2005, $1,174 in 2006, $1,276 in 2007, $1,477 in 2008, $1,679 in 2009, $2,381 in 2010, $2,082 in 2011. The level of the increases in outlays in the function are as follows, in millions of dollars: zero in 2002, $1,371 in 2003, $960 in 2004, $1,098 in 2005, $1,074 in 2006, $1,276 in 2007, $1,477 in 2008, $1,679 in 2009, $2,281 in 2010, $1,982 in 2011. The amendment increases the revenue level relative to the Chairman's Mark by an amount equal to the foregoing outlay changes. The increase in the spending in these functions is for the purpose of recognizing the needs detailed by the Committee on Veterans' Affairs in its letter dated March 12, and fully funds the request. The amendment provides funds allowing full concurrent receipt of military retirement benefits and veterans disability compensation.

The amendment offered by Mr. Clement, as amended by the second degree amendment offered by Mr. Thornberry was agreed to by a voice vote.

12a. Mr. Thornberry offered a amendment to strike the language of the amendment offered by Mr. Clement and replace it with a sense of Congress that requires the Secretary of Defense to provide the Congress with a report on concurrent retirement and disability benefits.

The amendment offered by Mr. Thornberry was agreed to by voice vote.

13. Ms. McCarthy offered an amendment to increase spending levels of function 750; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: 1055 in 2002, 1076 in 2003, 1098 in 2004, 1119 in 2005, 1141 in 2006, 1163 in 2007, 1185 in 2008, 1209 in 2009, 1232 in 2010, 1257 in 2011; The level of the increases in outlays in the function are as follows, in millions of dollars:1106 in 2002, 999 in 2003, 1258 in 2004, 1280 in 2005, 1151 in 2006, 1123 in 2007, 1145 in 2008, 1167 in 2009, 1190 in 2010, 1213 in 2011. The amendment decreases the amount of the contingency fund reflected in the Chairman's Mark by an amount equal to the amount in outlays in the foregoing increases. The increase in spending in this function is for the purpose of reflecting funding for the Community Oriented Policing Services program.

The amendment offered by Ms. McCarthy was not agreed to by a roll call vote of 19 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS				Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

14. Ms. Hooley offered an amendment to increase spending levels of function 500; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: 2500 in 2002, 5000 in 2003, 7500 in 2004, 10000 in 2005, 12500 in 2006, 14760 in 2007, 15360 in 2008, 16060 in 2009, 16760 in 2010, 17460 in 2011. The level of the increases in outlays in the function are as follows, in millions of dollars: 50 in 2002, 1675 in 2003, 4050 in 2004, 6550 in 2005, 9050 in 2006, 11525 in 2007, 13856 in 2008, 15051 in 2009, 15799 in 2010, 16494 in 2011. The amendment de-

creases the amount of the contingency fund reflected in the Chairman's Mark by an amount equal to the amount in outlays in the foregoing increases. The increases in spending for this function are for the purpose of increasing funding for the Individuals with Disabilities Education Act program.

The amendment offered by Ms. Hooley was not agreed to by a roll call vote of 19 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN				Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

15. Mr. Capuano offered an amendment to change spending levels of functions 370 and 600; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in function 600 are as follows, in millions of dollars: \$2,411 in 2002, \$1,374 in 2003, \$1,581 in 2004, \$1,736 in 2005,

$1,863 in 2006, $2,099 in 2007, $2,177 in 2008, $2,263 in 2009, $2,408 in 2010, $2,555 in 2011. The level of the increases in outlays in the function are as follows, in millions of dollars: $366 in 2002, $920 in 2003, $1,585 in 2004, $1,717 in 2005, $1,903 in 2006, $1,989 in 2007, $2,069 in 2008, $2,177 in 2009, $2,279 in 2010, $2,397 in 2011. The amendment would also decrease the budget authority in function 370 by the following amounts, in millions of dollars: –$133 in 2002, –$181 in 2003, –$185 in 2004, –$186 in 2005, –$186 in 2006, –$186 in 2007, –$186 in 2008, –$186 in 2009, –$186 in 2010, –$186 in 2011. The amendment would also decrease the outlays in function 370 by the following amounts, in millions of dollars: –$133 in 2002, –$181 in 2003, –$185 in 2004, –$186 in 2005, –$186 in 2006, –$186 in 2007, –$186 in 2008, –$186 in 2009, –$186 in 2010, –$186 in 2011. The amendment increases the revenue level relative to the Chairman's Mark by an amount equal to the foregoing outlay changes. The changes in function 600 reflect higher spending on public housing programs. The changes in function 370 reflect increasing the loan limit under which the Federal Housing Authority may insure mortgages for home buyers.

The amendment offered by Mr. Capuano was not agreed to by a voice vote.

16. Mr. Moran offered an amendment which would have added a sense of the House of Representatives that legislation which decreases the surplus should include a mechanism by which the phase in of such actions may be suspended prospectively and apply to both spending and tax cuts, and require that the budget be balanced and that specified debt reduction targets met.

The amendment offered by Mr. Moran was not agreed to by a roll call vote of 13 ayes and 25 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking		X	
Mr. SUNUNU		X		Mr. McDERMOTT		X	
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN		X	
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE		X	
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER				Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN			
Mr. WATKINS		X		Mrs. McCARTHY	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. HASTINGS		X		Mr. MOORE			
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON							
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

17. Mr. McDermott offered an amendment to decrease the level of revenue set forth in the Chairman's Mark by $1 billion in fiscal year 2002 and by $292 billion for the fiscal years 2002 through 2011. The additional revenue loss would reflect the additional tax reduction required to prevent cuts in income tax rates from increasing relative to current law the number of individuals affected by the individual alternative minimum tax. The amendment further required that the reconciliation directives set forth in section 4 of the resolution include a directive to the Ways and Means Committee that any tax bill reducing taxes not increase the number of individuals affected by the alternative minimum tax.

The amendment offered by Mr. McDermott was not agreed to by a roll call vote of 18 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN			

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

18. Mr. McDermott offered an amendment to increase spending levels of function 150; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: 550 in 2002. The level of the increases in outlays in the function are as follows, in millions of dollars: $166 in 2002, $218 in 2003, $166 in 2004. The amendment decreases the amount of the contingency fund reflected in the Chairman's Mark by an amount equal to the amount in outlays in the foregoing increases. The purpose of the foregoing spending increases in the function are to reflect greater foreign aid in cases of emergencies, in circumstances such as have occurred in India and El Salvador.

The amendment offered by Mr. McDermott was not agreed to on a roll call vote of 19 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU				Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

19. Mr. Thompson offered an amendment to include in the resolution a sense of the Congress that the Federal tax code should support a significant expansion of Individual Development Accounts so that millions of low-income, working families can save, build assets and move their lives forward.

The amendment offered by Mr. Thompson was agreed to by a voice vote.

20. Mrs. Clayton offered an amendment to increase spending levels of function 550; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in billions of dollars: $2.1 in 2002, $2.6 in 2003, $3.1 in 2004, $3.4 in 2005, $4.5 in 2006, $5.5 in 2007, $6.4 in 2008, $7.6 in 2009, $8.9 in 2010, $10.5 in 2011; the level of the increases in outlays in the function are as follows, in billions of dollars: $2.1 in 2002, $2.6 in 2003, $3.1 in 2004, $3.4 in 2005, $4.5 in 2006, $5.5 in 2007, $6.4 in 2008, $7.6 in 2009, $8.9 in 2010, $10.5 in 2011. The purpose of the foregoing spending increases in the function are to reflect a new capped block grant to boost state funding due to Federal census errors. The new fund, called the Census Undercount Fund, directly correlates with Medicaid funding in each state.

The amendment offered by Ms. Clayton was not agreed to by a voice vote.

21. Mr. Davis offered an amendment to increase spending levels of function 500; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in billions of dollars: $7 in 2002, $7 in 2003, $7 in 2004, $7 in 2005, $7 in 2006, $7 in 2007, $7 in 2008, $7 in 2009, $7 in 2010, $7 in 2011; the level of the increases in budget authority in the function are as follows, in billions of dollars: $7 in 2002, $7 in 2003, $7 in 2004, $7 in 2005, 7 in 2006, 7 in 2007, 7 in 2008, 7 in 2009, 7 in 2010, 7 in 2011. The purpose of the foregoing spending increases in the function are to reflect the passage of legislation that allows local educational agencies to use appropriated funds to carry out activities under a reauthorized Elementary and Secondary Education Act.

The amendment offered by Mr. Davis was not agreed to by a voice vote.

22. Mr. Moran offered an amendment express the sense of the House of Representatives that rates of compensation for civilian employees of the United States should be adjusted at the same time, and in the same proportion, as are rates of compensation for members of the uniformed services.

The amendment offered by Mr. Moran was agreed to by a voice vote.

23. Mr. Clement offered an amendment to express the sense of the Congress that the reconciliation directive for tax cuts called for in the budget resolution shall include language that makes State sales tax deductible against Federal income taxes.

The amendment offered by Mr. Clement, as amended by the amendment offered by Mr. Nussle, was agreed to by a voice vote.

23a. Mr. Nussle offered an amendment to the amendment offered by Mr. Clement that expressed the Sense of the Congress that the Ways and Means should include language that would make the state sales tax deductible against Federal income taxes.

The amendment offered by Mr. Nussle to the amendment offered by Mr. Clement was agreed to by a voice vote.

24. Ms. Hooley asked for language to be included in the report that indicated that the budget resolution assumes that the Pacific Northwest salmon recovery program, administered by federal agencies on the Federal Columbia River Power System and Pacific Coast, should be made a high-priority item for funding.

Ms. Hooley's request was agreed to by the Committee.

25 Mr. Moran offered an amendment to increase spending levels of function 050; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: $1,400 in 2001. The level of the increase in the outlays in the function are as follows: $1,127 in 2001, $202 in 2002, $39 in 2003, $21 in 2004, and $11 in 2005. The purpose of the foregoing spending increases in the function are to reflect the adoption of an urgent supplemental appropriation for fiscal year 2001 for the Department of Defense for the Defense Health Program.

The amendment offered by Mr. Moran was not agreed to by a roll call vote of 19 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SUNUNU		X		Mr. McDERMOTT	X		
Mr. HOEKSTRA		X		Mr. THOMPSON	X		
Mr. BASS		X		Mr. BENTSEN	X		
Mr. GUTKNECHT		X		Mr. DAVIS	X		
Mr. HILLEARY		X		Mrs. CLAYTON	X		
Mr. THORNBERRY		X		Mr. PRICE	X		
Mr. RYUN		X		Mr. KLECZKA	X		
Mr. COLLINS		X		Mr. CLEMENT	X		
Mr. FLETCHER		X		Mr. MORAN	X		
Mr. MILLER		X		Ms. HOOLEY	X		
Mr. TOOMEY				Ms. BALDWIN	X		
Mr. WATKINS		X		Mrs. McCARTHY	X		
Mr. HASTINGS		X		Mr. MOORE	X		
Mr. DOOLITTLE		X		Mr. CAPUANO	X		
Mr. PORTMAN		X		Mr. HONDA	X		
Mr. LA HOOD		X		Mr. HOEFFEL	X		
Ms. GRANGER		X		Mr. HOLT	X		
Mr. SCHROCK		X		Mr. MATHESON	X		
Mr. CULBERSON		X					
Mr. BROWN		X					
Mr. CRENSHAW		X					
Mr. PUTNAM		X					
Mr. KIRK		X					

26. Mr. Thompson offered an amendment to express the sense of Congress that the Government should support the core operations of the Federal Emergency Management Agency by providing needed fire grant programs to assist our firefighters and rescue personnel as they respond to more than 17,000,000 emergency calls annually. To accomplish this task, Congress supports preservation of the Assistance to Firefighters grant program. Continued support of the Assistance to Firefighters grant program will enable local firefighters to adequately protect the lives of countless Americans put at risk by insufficient fire protection.

The amendment offered by Mr. Thompson was agreed to by voice vote.

27. Mr. Capuano offered an amendment to increase spending levels of function 500; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: $300 in 2002, $306 in 2003, $312 in 2004, $318 in 2005, $324 in 2006, $331 in 2007, $337 in 2008, $344 in 2009, $350 in 2010, $357 in 2011; the level of the increases in outlays in the function are as follows, in millions of dollars: $37 in 2002, $229 in 2003, $280 in 2004, $294 in 2005, $308 in 2006, $322 in 2007, $329 in 2008, $335 in 2009, $342 in 2010, $348 in 2011. The purpose of the foregoing spending increases in the function are to reflect increased funding for training and employment services.

The amendment offered by Mr. Capuano was not agreed to by a voice vote.

28. Mr. Capuano offered an amendment express the sense of Congress that: Function 550 of the President's budget ought to include an appropriate level of funding for graduate medical education conducted at independent children's teaching hospitals in order to ensure access to care by millions of children nationwide. An emphasis must be placed on the role played by community health centers in underserved rural and urban communities. An increase in funding for community health centers should not come at the expense of the Community Access Program. Both programs should be funded adequately, with the intention of doubling funding for increased capacity for community health centers in addition to keeping the Community Access Program operational. The medicare program must emphasize such preventive medical services as those provided by vision rehabilitation professionals in saving Government funds and preserving the independence of a growing number of seniors in the coming years. Funding under function 550 should also reflect the importance of the Ryan White CARE Act.

The amendment offered by Mr. Capuano was agreed to by a voice vote.

29. Mr.Capuano offered an amendment to increase spending levels of function 270 and 600; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in function 270 are as follows, in billions of dollars: $.7 in 2002, $.8 in 2003, $.6 in 2004, $.5 in 2005, $.5 in 2006, $.5 in 2007, $.2 in 2008, $.2 in 2009, $.2 in 2010, $.2 in 2011; the level of the increases in outlays function 270 are as follows, in billions of dollars: $.3 in 2002, $.6 in 2003, $.6 in 2004, $.6 in 2005, $.6 in 2006, $.6 in 2007, $.2 in 2008, $.2 in 2009, $.2 in 2010, $.2 in 2011. The level of the increases in budget authority in function 600 are as follows, in billions of dollars: $1.7 in 2002, $1.7 in 2003, $1.7 in 2004, $1.8 in 2005, $1.8 in 2006, $1.8 in 2007, $1.9 in 2008, $1.9 in 2009, $1.9 in 2010, $2.0 in 2011; the level of the increases in outlays function 600 are as follows, in billions of dollars: $1.4 in 2002, $1.8 in 2003, $1.9 in 2004, $1.9 in 2005, $1.9 in 2006, $2.0 in 2007, $2.0 in 2008, $2.1 in 2009, $2.1 in 2010, $2.1 in 2011. The purpose of the foregoing spending increases in the function are to reflect the doubling of funding for the Weatherization Assistance Program, a ten percent increase for solar and renewable energy, and a doubling of the funding for the Low-Income Home Energy Assistance Program.

The amendment offered by Mr. Capuano was not agreed to by voice vote.

30. Mr. Bentsen offered an amendment to increase spending levels of function 300; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: $600 in 2002, $600 in 2003, $600 in 2004, $600 in 2005, $600 in 2006, $600 in 2007, $600 in 2008, $600 in 2009, $600 in 2010, $600 in 2011; the level of the increases in outlays in the function are as follows, in millions of dollars: $448 in 2002, $589 in 2003, $600 in 2004, $600 in 2005, $600 in 2006, $600 in 2007, $600 in 2008, $600 in 2009, $600 in 2010, $600 in 2011. This level of spending in the function is to reflect a freeze of the Army Corps of Engineers funding at the fiscal year 2001 level.

The amendment offered by Mr. Bentsen was not agreed to by voice vote.

31. Mr. Holt offered an amendment to increase spending levels of function 300; and increase the revenue level set forth in the Chairman's Mark. The level of the increases in budget authority in the function are as follows, in millions of dollars: $.535 in 2002, $.545 in 2003, $.556 in 2004, $.567 in 2005, $.578 in 2006, $.589 in 2007, $.600 in 2008, $.612 in 2009, $.623 in 2010, $.635 in 2011; the level of the increases in outlays in the function are as follows, in millions of dollars: $.027 in 2002, $.348 in 2003, $.375 in 2004, $.516 in 2005, $.553 in 2006, $.574 in 2007, $.585 in 2008, $.597 in 2009, $608 in 2010, $620 in 2011. This level of funding reflects the need to maintain the Eisenhower Professional Development Program.

The amendment offered by Mr. Holt was not agreed to by a voice vote.

32. Mr. Sununu made a motion that the Committee adopt the aggregates, function totals, and other relevant items as the Concurrent Resolution on the Budget for Fiscal year 2001.

The motion offered by Mr. Sununu was agreed to by voice vote.

Mr. Sununu made a motion that the Committee report the Concurrent Resolution with a favorable recommendation and that the Concurrent Resolution pass. The motion offered by Mr. Sununu was agreed to by a roll call vote of 23 ayes and 19 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman	X			Mr. SPRATT, Ranking		X	
Mr. SUNUNU	X			Mr. McDERMOTT		X	
Mr. HOEKSTRA	X			Mr. THOMPSON		X	
Mr. BASS	X			Mr. BENTSEN		X	
Mr. GUTKNECHT	X			Mr. DAVIS		X	
Mr. HILLEARY	X			Mrs. CLAYTON		X	
Mr. THORNBERRY	X			Mr. PRICE		X	

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN	X			Mr. KLECZKA		X	
Mr. COLLINS	X			Mr. CLEMENT		X	
Mr. FLETCHER	X			Mr. MORAN		X	
Mr. MILLER	X			Ms. HOOLEY		X	
Mr. TOOMEY				Ms. BALDWIN		X	
Mr. WATKINS	X			Mrs. McCARTHY		X	
Mr. HASTINGS	X			Mr. MOORE		X	
Mr. DOOLITTLE	X			Mr. CAPUANO		X	
Mr. PORTMAN	X			Mr. HONDA		X	
Mr. LA HOOD	X			Mr. HOEFFEL		X	
Ms. GRANGER	X			Mr. HOLT		X	
Mr. SCHROCK	X			Mr. MATHESON		X	
Mr. CULBERSON	X						
Mr. BROWN	X						
Mr. CRENSHAW	X						
Mr. PUTNAM	X						
Mr. KIRK	X						

Mr. Sununu asked for unanimous consent that the Chairman be authorized to make a motion to go to conference pursuant to clause 1 of House Rule XXII, the staff be authorized to make any necessary technical and conforming corrections in the resolution, and any committee amendments, and calculate any remaining elements required in the resolution, prior to filing the resolution, and the motion to reconsider be laid upon the table.

There was no objection to the unanimous consent request.

ADDITIONAL REPORT LANGUAGE

SPECIAL EDUCATION

The committee believes that all children deserve a quality education, including children with disabilities. That is the goal of the Individuals with Disabilities Education Act [IDEA], which provides that Federal, State and local governments are to share in the expense of educating children with disabilities. The committee is concerned, however, that the IDEA law may not be working as originally intended, and recommends that the committee of jurisdiction make necessary changes to the statute as soon as practicably possible.

Special education has risen as a percentage of total enrollment every year since the passage of IDEA in 1975. Currently, more than 6 million public school age children 12 percent of all students are in special education. According to the best available research, many need not be there.

More than one-third of all children assigned to special education are categorized as having specific learning disabilities due primarily to reading difficulties. Early identification of reading problems and proper instruction based on valid scientific research could prevent as many as 1.5 million students from developing a severe reading disability and therefore having to participate in IDEA. That is why this committee strongly endorses the President's Reading First initiative, and funds it at a level of $900 million in Fiscal year 2002 and $5 billion over five years.

In recent years, Congress has made gradual progress toward the goal of increasing the Federal contribution to special education to 40 percent of the average per pupil expenditure the maximum Federal share authorized under law. The goal post is pushed back each year, however, as the cost of compliance with the IDEA statute grows unchecked. The Education and the Workforce Committee, therefore, should consider how the Federal Government can best meet its obligation to special education during the upcoming IDEA reauthorization process.

The regulatory structure of IDEA should also be examined as part of the reauthorization. The committee suggests a full study of IDEA regulations be undertaken that includes: The identification of duplicative and conflicting regulations which make compliance unnecessarily difficult or costly for local school districts; an analysis of the total cost of IDEA regulations as well as the specific costs associated with the identified duplicative and conflicting regulations; recommendations on simplifiscal yearing the regulatory structure in a way that reduces compliance costs; and the identification of structural weaknesses of the program requiring legislative action.

Concerted efforts should be made to address early reading difficulties, to avoid the over-identification of children as learning disabled, and to eliminate costly and unnecessary Federal regulations. This multi-pronged approach could alleviate the financial pressure on States and local school districts struggling to provide a first rate education to all children, including children with disabilities.

TROPICAL FOREST CONSERVATION ACT

The President's fiscal year 2002 budget requests increased resources for the Tropical Forest Conservation Act (TFCA), bipartisan legislation enacted into law in 1998 to protect the world's tropical forests through "debt for nature" mechanisms. This creative market-oriented conservation program expands the previous Bush Administration's Enterprise for the America's Initiative (EAI) to protect threatened tropical forests on a sustained basis worldwide. This resolution assumes the program will receive sufficient resources to continue progress on this important work. In addition, the committee strongly supports the reauthorization of TFCA during fiscal year 2002.

FOREIGN ASSISTANCE

The committee has included full funding for the President's international affairs request. The committee is aware of the urgent funding needs to support the Middle East Peace Process and the war against drugs in the Andean countries. The United States is the world's leading democracy and super power. Programs funded through this account, provide desperately needed assistance and hope to countless of people across the globe. Through the work of the Department of State, Department of the Treasury, and U.S. Agency for International Development in cooperation with non-governmental organizations (NGOs), critical work is being preformed in areas including health care, emergency relief, democracy building, and international security assistance. Monies spent through these foreign assistance programs assist stability and preventing conflicts and disasters before they become a global financial burden, a threat to our national security, and, most importantly a threat to the lives of innocent men, women and children.

RURAL DEVELOPMENT

The budget assumes the President's proposal to terminate the Rural Telephone Bank based on the accomplishment of the banks mission. The budget further assumes that funding which would otherwise have been directed to new lending by the Rural Telephone Bank will be directed instead to a successor effort to expand the infrastructure for technology in rural communities. This effort may include making grants available to rural communities seeking to enhance economic growth and job creation through the development of new communications or other technology capacity.

BUDGET ESTIMATES

The committee believes that current budget forecasting models are inaccurate. Accurate forecasts are essential decision-making tools for Congress. Budget projections can be improved by using real world models that anticipate economic responses to changes in government policy. The Congressional Budget Office should consider the effects of policy on economic behavior in future forecasts.

IMPACT AID

The committee strongly supports funding for the education of dependents of military personnel. Payments to school districts accepting these children, made under the Impact Aid program, are necessary to ensure that local school districts receive full compensation for their students living on federal property. The Impact Aid program is intended to fill a gap created by the Federal government; Congress must fully fund this program to ensure that all children have access to the best possible education.

DEFENSE

The committee recognizes that the 050 function should be strongly supported because of the need to revitalize the Nation's defenses. The committees of jurisdiction are recommended to give particular attention to key areas including the need for a ballistic missile defense for the United States and its allies, electronic warfare, and naval training.

VOTING MACHINES

The committee recognizes that there is an important role for the Congress to play in ensuring that elections are conducted fairly and in ways that inspire confidence. The committee strongly encourages the Congress to make every effort during the fiscal year 2002 appropriations cycle to provide financial assistance to States and localities to modernize their voting equipment before the 2002 general election, in order to ensure accurate vote counts and to minimize voter error, with particular attention to replacement of the most error-prone equipment.

SALMON RECOVERY

This budget resolution assumes that the Pacific Northwest salmon recovery program, administered by federal agencies on the Federal Columbia River Power System and Pacific Coast, should be made a high-priority item for funding.

MEDICARE MODERNIZATION AND PRESCRIPTION DRUGS

The budget resolution recognizes there are multiple ways of funding the President's comprehensive Medicare modernization and prescription drug proposal.

MEDICARE HOME HEALTH

The committee recognizes the importance of home health care for seniors and disabled citizens. It acknowledges that the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of

2000 reformed the home heath payment system to restore home health funding and delay the automatic 15 percent payment reduction for one year. However, The committee believes that Congress and the Administration should continue to work together to maintain quality care for patients whose care is more extensive and expensive than the typical Medicare patient, including the sickest and frailest Medicare beneficiaries. Consequently, Congress and the Administration should work together to avoid the 15 percent reduction in the prospective payment system.

MEDICARE PAYMENT EQUITY

The committee believes that the Medicare+Choice regional disparity among reimbursement rates is unfair, and that full funding of the Medicare+Choice program is a priority as Congress deals with any Medicare reform legislation. Further, there is also a need to assess the fairness of urban/rural payment disparities in the fee-for-service portion of Medicare.

DEFENSE ENVIRONMENTAL RESTORATION WASTE MANAGEMENT

The committee makes no specific assumption regarding atomic energy defense activities of the Department of Energy, but recognizes that as much as $6.65 billion for the Department's Environmental Management program may be required to perform various nuclear restoration and clean-up activities, including critical initiatives such as those at Hanford, for 2002 and beyond.

MEDICARE PATIENT ACCESS

Recognizing the importance of patient access to care, The committee urges the House to undertake balanced reform of the Medicare program's reimbursement for drugs and practice expenses, following analysis by the General Accounting Office and the Secretary of Health and Human Services.

PHASE IN OF TAX PROVISIONS

The committee recognizes the inherent uncertainty of budgetary projections. The committee hopes that The Committee on Ways and Means will make every effort to fully phase in within a ten-year period the tax relief reconciled to it in section 4 of the resolution.

THE NATIONAL INSTITUTES OF HEALTH

The National Institutes of Health [NIH] is the world's leading biomedical research institution. Due to the ground breaking research of the NIH, lives are saved and health care costs reduced while jobs are created. This research has produced major advances in the treatment of countless diseases including cancer, heart disease and diabetes, which effect millions of American families. The budget resolution assumes increased funding for the NIH and believes that it is a high priority program within the overall discretionary spending allocation.

AMBULANCE SERVICE PROVIDERS

The House Committee on the Budget believes that ambulance service providers are an important component of the Medicare Program. It further believes that within the context of comprehensive Medicare reform, Congress should take whatever steps are necessary to ensure that ambulance service providers for Medicare beneficiaries are reimbursed at an appropriate level to ensure beneficiary access to these services.

TAX BENEFITS FOR EDUCATION

The committee recognizes that changes in the tax code can contribute to strengthening our educational system. These include increasing the annual contribution ceiling for Education IRAs; providing a tax deduction for teachers to deduct up to $400 to help defray the costs associated with out-of-pocket classroom expenses, such as books and school supplies; exempting from Federal taxation all qualified pre-paid tuition savings plans; allowing State private-activity bonds to be used for school construction and repair; and expanding loan forgiveness for math and science teachers in high-need schools.

PROJECT IMPACT

The committee recognizes the importance of efforts to prevent property damage and loss of life from natural disasters. Project Impact, a program administered by the Federal Emergency Management Administration [FEMA], has proven valuable at helping communities to prepare for potential disasters, thus savings millions of dollars in recovery costs and limiting the loss of life when disasters have struck. The committee urges the Committee on Appropriations to consider the successes Project Impact has had in mitigating the effects of natural disasters when it makes funding decisions about FEMA and related programs during the appropriations process.

PHYSICAL SCIENCES AND ENGINEERING

The committee recognizes the importance of research in the physical sciences and engineering and will revisit these funding levels in the future to ensure that there are adequate resources in the science function.

SOCIAL SECURITY

Social security is part of nearly every American's life and an important source of income for most of today's older Americans. It provides more than half of the total income of two-thirds of today's retirees and provides nearly all of the income of one-third of elderly people.

For the first time in the history of these programs, a significant number of people from five different generations of Americans have a claim on program benefits. The current ratio of workers to Social Security recipients stands at 3.4 workers to each recipient. As the Baby Boom Generation begins to retire, this ratio will continue to decrease, eventually reaching a level of two workers for each recipient by approximately 2030. Under current estimates, outlays will begin exceeding receipts into the Social Security trust funds as early as 2013.

Congress has an obligation to act before the cash flow into the system turns negative to put the Social Security system on a more economically sound basis to allay the fears of those who are counting on benefits. Congress should formulate a bipartisan and cross-generational consensus on reforms that will provide opportunities for a fair return on contributions while still preserving the traditional safety net of the present system for existing and future beneficiaries.

STAFFING SHORTAGES IN LONG TERM CARE

The committee recognizes the need to address the shortage of caregivers in long term care settings nationwide. Nearly every long term care setting has vacancies they are unable to fill, and each vacancy is a threat to patient care. The shortage includes registered and licensed practical nurses, therapists, administrators, and other providers. To ensure adequacy of staffing and availability of long term care services for our Nation's elderly and disabled populations, the Budget Committee urges The committees of jurisdiction to address this shortage in the appropriate manner.

ARMY CORPS OF ENGINEERS

The committee believes that the Congress should consider during the current budget cycle the needs of Army Corps of Engineers-managed recreation areas, which were damaged by the ice storm that struck eastern and southeastern Oklahoma, western Arkansas, northeastern Texas, and northern Louisiana in December of 2000.

OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

COMMITTEE ON THE BUDGET OVERSIGHT FINDINGS AND RECOMMENDATIONS

Clause 3(c)(1) of rule XIII requires each committee report to contain oversight findings and recommendations pursuant to clause 2(b)(1) of rule X. The Budget Committee has no findings to report at the present time.

NEW BUDGET AUTHORITY , ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives provides that Committee reports shall contain the statement required by Section 308(a)(1) of the Congressional Budget Act of 1974. This report does not contain such a statement because as a concurrent resolution setting forth a blueprint for the Congressional budget, the budget resolution does not provide new budget authority or new entitlement authority or change revenues.

GENERAL PERFORMANCE GOALS AND OBJECTIVES

Clause 3(c)(4) of rule XIII requires each committee report to contain a statement of general performance goals and objectives, including outcome-related goals and objectives, for which the measure authorizes funding. The Budget Committee has no such goals and objectives to report at this time.

VIEWS OF COMMITTEE MEMBERS

Clause 2(l) of rule XI requires each committee to afford a 2-day opportunity for members of the committee to file additional, minority, or dissenting views and to include the view in its report. The following views were submitted:

MINORITY VIEWS OF JOHN M. SPRATT, JR., JIM McDERMOTT, BENNIE G. THOMPSON, KEN BENTSEN, JIM DAVIS, EVA M. CLAYTON, DAVID E. PRICE, GERALD D. KLECZKA, BOB CLEMENT, JAMES P. MORAN, DARLENE HOOLEY, TAMMY BALDWIN, CAROLYN McCARTHY, DENNIS MOORE, MICHAEL E. CAPUANO, MICHAEL M. HONDA, JOSEPH M. HOEFFEL, RUSH HOLT, AND JIM MATHESON

The Budget Resolution reported in this document closely follows President Bush's program. Thus, it comes as no surprise that the Resolution shares all of the faults of the preliminary budget document sent from the White House to the Congress at the end of February.

In sum, the Budget Resolution is imprudent and fundamentally flawed. At best, it wastes an unique opportunity to use our extraordinary prosperity to address enduring problems, and at the same time to prepare for future challenges. At worst, it threatens the very prosperity that is at the heart of that economic opportunity.

Nine years ago, the height of the federal government's budgetary ambitions was to survive the fiscal year. Since then, at great cost to the American taxpayers, the federal government has raised its sights to maintaining budget surpluses above and beyond its deposits in the Social Security and Medicare trust funds—which is the minimum it should do to build a financial foundation for the retirement of the baby-boom generation. The Resolution reduces those surpluses to the bone, leaving virtually no margin for error in policy choice, economic assumptions or budget estimation. In so doing, it cuts the flow of national saving that helped to turn the economy around. If the economy should weaken, for this or any other reason, the budget will again drain the Social Security and Medicare surpluses that should instead be reserved for the demographic challenge that begins just seven years from now.

Given the extraordinary uncertainty of today's budget and economy, the Resolution is especially unwise. But it would be a poor choice even if we knew the next ten years with certainty. Its keystone is an over-large and uneven tax cut, which predetermines the budget's course before priority investments such as defense, health and human services, and agriculture are even planned and considered. Essential government services, such as up-to-date prescription drug coverage under Medicare and support for education, have already been forced to give way. If the budget outlook weakens, given how difficult it would be to reverse course on taxes, the basic workings of government will surely be hindered even more.

Democrats support a significant but affordable tax cut, leaving a cushion against any adverse economic developments, plus further resources for federal initiatives needed to safeguard our prosperity. This course leaves full flexibility for adjustment for bad news—or good news—without an enduring cost. This more patient and prudent course continues the spirit of the economic strategy of the 1990s that brought us such opportunities.

BACKGROUND—THE BENEFITS OF DEBT REDUCTION

To grow, a nation's economy needs investment. To invest, a nation's economy needs saving—the sum of the saving by households, businesses, and governments. The more familiar household saving rate is one component of national saving, and so is important; but it is the nation's total saving that determines the full quantity of resources available to build the new factories and machines that will be the productive base of the economy in the future, and that will add to worker productivity, incomes, and prosperity.

In the 1980s, federal budget deficits soared—depleting the nation's pool of saving. This pushed interest rates higher than they otherwise would have been, and raised the cost of capital to businesses and consumers alike. This held business investment as a share of our GDP flat for the entire decade, inhibiting economic growth and productivity.

Beginning with the 1990 deficit-reduction package signed by President Bush's father, and particularly the 1993 Democratic budget, that situation turned around. The improvement in the federal budget added to the nation's pool of saving—and so, even though the household saving rate declined, national saving increased dramatically. (Net national saving more than doubled as a percentage of net national product between 1992 and 1998). As a result, long-term interest rates declined markedly; the yield on the ten-year Treasury note, which had averaged about eight percent in the 1980s, fell to an average of about six percent in the 1990s. With this reduction in the cost of capital, private business investment soared. (Real business fixed investment, which had averaged less than 10 percent of real GDP in the 1980s, rose to 15 percent in 1998.) And as that increased business investment came on line, productivity growth accelerated, bringing with it higher wages and profits. (Growth in labor productivity in the non-farm business sector increased from an average of 1.5 percent per year from 1974 to 1995, to 2.9 percent since then.) With that greater productivity growth came the budget improvement that we have enjoyed, including the longest string of consecutive budget improvement, and the largest budget surpluses, in the history of the United States.

The improvement in the federal budget helped to clear the way for the private sector to raise our prosperity in the 1990s. And budget improvement has also helped to maintain the stability of our economy. Financial markets, including markets around the world, have come to rely upon the fiscal responsibility of the federal government. That has helped to maintain the flow of foreign capital that our nation has needed. Even though the federal budget has improved substantially, household saving remains too low, and our nation's savings do not fully finance our strong level of investment. Many analysts have expressed concern that a loss of confidence of foreign investors in the U.S. economy now, given our need for foreign capital, would have serious adverse consequences.

Some argue that a big tax cut would increase household saving, and so would help to solve our national saving problem. But this argument badly misses the point. The Resolution's over-large tax cut directly and immediately reduces national saving dollar for dollar. Even if the recipients of that tax cut saved ten percent of it—a faint hope, given that the household saving rate right now is near zero—national saving would decline by 90 percent of the excessively large tax cut. And of course, given that the Resolution's advocates today argue that the taxpayers would spend the proceeds of the tax cut to stimulate the economy, we are left to wonder how the same dollar of tax cut can possibly be used a second time to increase saving simultaneously.

Given the nation's very low household saving rate, the nation's fiscal policy should be set to maintain and grow the other components of national saving. Allowing the federal budget to follow our low household saving and drive national saving down, now of all times, would be risky and irresponsible, and could have adverse consequences, both domestically and internationally.

THE BUDGET RESOLUTION'S FRAMEWORK

Principles

Democrats approach fiscal policy today from fundamental principles, which are ostensibly shared by the Republicans in Congress. First, we believe that the Social Security trust fund surplus should be protected, and should be used to reduce the public debt, because these funds are encumbered by commitments for future Social Security benefits. Policymakers must ensure that this surplus adds to the nation's savings pool, and so prepares the economy to keep those commitments. Second, we believe that the Medicare Part A (or Hospital Insurance) trust fund surplus should be treated in exactly the same way, for exactly the same reason. House Republicans claim to hold these principles, and unanimously passed their own Medicare "lockbox" just a few weeks ago. But the lockbox bill that they passed addressed this issue in a very specific way:

> It is the purpose of this Act to . . . prevent the surpluses of the social security and medicare hospital insurance trust funds from being used for any purpose other than providing retirement and health security; and . . . use such surpluses to pay down the national debt until such time as medicare and social security reform legislation is enacted.

Instead, the Majority's Budget Resolution specifically uses the already encumbered funds of the Medicare trust fund surplus to finance a new program—thereby reducing the solvency of Medicare. In contrast, Democrats recognize the inescapable logic that diverting those surpluses to even somewhat related uses—such as a prescription drug program for the elderly, or financing for individual accounts for retirement—shortens the solvency of the core programs (or increases long-term debt). It seems elementary that the first step in dealing with programs facing funding challenges should not be to make the problems worse.

So Democrats take the lockbox bill at its word, and use a framework in which both the Social Security and Medicare trust fund surpluses are fenced off for debt reduction, and thus for preparation of the economy for the coming challenge of population aging.

The following table shows the ten-year course of the budget under Congressional Budget Office assumptions and estimates, using this basic framework. It shows that the total surplus of $5.6 trillion is actually an available surplus of $2.7 trillion, after moving the encumbered Social Security and Medicare surpluses out of reach.

The table then adds the Resolution's proposals for tax reduction ($1.6 trillion), net new spending above the CBO baseline that underlies the estimates (about $250 billion), and the resulting increase in debt service above the baseline (almost $500 billion). This presentation makes clear just how little margin for error this budget plan leaves for the next ten years.

THE BUDGET RESOLUTION IS IMPRUDENT

The Resolution leaves no margin for error

For perspective, CBO reported in its most recent annual budget projection volume that its average error in estimating the budget surplus or deficit for a fiscal year already in progress has been about 0.5 percent of the GDP—at the current size of the economy, about $54 billion, rising to about $85 billion by 2011. The Budget Resolution dissipates the available surplus to less than this most minimal standard of estimating confidence in the first eight years of the ten-year budget window, and barely surpasses it in the last two years. Given the widely escalating range of uncertainty as projections become more distant—CBO reports that its average error for a fiscal year five years in the future rises sixfold, to 3.1 percent of GDP—it is clear that the projected small surpluses under the Resolution could easily change to substantial deficits.

And even the point estimates of the surpluses, if realized, are unsatisfactory. The Resolution invades the Social Security and Medicare surpluses by a small amount in 2005. The surplus in 2006 is a paltry $3 billion. The projected surpluses do not surpass the estimated level for the current fiscal year, 2001, until the very last year of the ten-year projection window, 2011. The total of the Resolution's true reserve is only $364 billion over ten years; CBO's last reestimate changed the projected ten-year cumulative budget surplus by three times that amount, based on just six months' worth of new information. Thus, the Resolution, on its own terms, respects the basic standard of protection for the Social Security and Medicare surpluses only by the narrowest of margins.

The Republican analysis of their own budget would differ from this only in their treatment of their Social Security and Medicare surpluses. They plan to divert at least 40 percent of the projected Medicare surplus to their prescription-drug plan (which we believe is unsound and underfunded); and they have encouraged diversion of the Social Security surplus similarly to an as yet unarticulated privatization plan. We oppose both of those diversions, which would reduce the solvency of the core programs. (We include in our substitute Resolution a Medicare prescription-drug plan, fully funded from non-Medicare revenues, so that Medicare solvency is maintained.) But even from the Republican perspective, which allows drains on Social Security and Medicare solvency, we believe that the Resolution is an imprudent response to our current circumstance.

Why defenses of the Resolution are not valid

Budget projections are uncertain; budget outcomes could certainly be more favorable than CBO anticipates. But arguments that we should bet our future on such favorable outcomes are not convincing.

Some contend that the CBO projections are extraordinarily conservative, and so more favorable outcomes are especially likely. One line of argument is that receipts have grown faster than our GDP recently, but that CBO projects that they will grow more slowly than GDP for several years; if this historical pattern continues, therefore, surpluses will be much larger. However, receipts cannot grow faster than the GDP forever, because receipts logically cannot exceed the GDP. Furthermore, one likely reason why receipts have grown more rapidly than GDP over the last few years is the extraordinary strength of the stock market; taxes on capital gains (and stock options) add to the total of receipts, but are not counted in the GDP (because they are not current production of goods or services). If the stock market grows more slowly in the future, that may well reduce the growth of receipts relative to the GDP.

Another argument is that CBO's projected economic growth rates are slower than those for the last four years or so. But growth over that period was so high that virtually all serious economists acknowledged that it was not sustainable.

Yet another reason given for a robust economic forecast is that tax cuts improve growth. The fly in this ointment is that the most rapid economic growth of recent years followed upon the deficit reduction legislation of 1993, which raised taxes (while cutting spending by the same amount). Over the 1980s and early 1990s, business investment, which was the driver of this economic boom, was a flat percentage of our GDP, and the deficit ballooned; after the 1993 law, with the lower interest rates that it caused, the investment share of GDP nearly doubled, and the budget zoomed into surplus.

Evocations of the Kennedy-Johnson tax cut of 1964 as a part of this argument that tax cuts increase growth are similarly misplaced. The tax system prior to 1964 was leagues behind the tax law that we already have today. Before the Kennedy tax cut, the highest marginal income tax rate was 91 percent—meaning that the reward for an extra dollar of work was only 9 cents. The Kennedy-Johnson tax cut reduced the top-bracket rate to 70 percent—meaning that the reward to an extra dollar's worth of work increased to 30 cents, or more than triple what it was. Now, the highest marginal rate is only 39.6 percent—more than 10 percentage points lower than the Reagan goal of 50 percent. The proposed cut in the top tax rate would not triple the reward for work as the Kennedy tax cut did, but rather would increase it by only 11 percent. At the other end of the income scale, the lowest marginal tax rate prior to 1964 was 20 percent. Under the current law, however, more than 75 percent of taxpayers are already in marginal rate brackets of either 15 percent or zero. Thus, more than 75 percent of today's taxpayers already pay at marginal tax rates lower than the lowest rate prior to the Kennedy tax cut. There is no ground to assume that extra economic growth will rescue the budget from the baseline projections under the Resolution.

The bottom line is that no economic or budget forecast covering ten years, however conscientious, can be a sound basis for a plan to spend an available budget surplus down to precisely zero. There must be a greater margin of safety. And even if policymakers have considerable confidence that the actual outcomes will be more favorable than the projections, they must recognize that the cost of an adverse outcome could be enormous. We have only seven years before the baby boom begins to retire on reduced Social Security benefits; we can no longer afford the near-20 year delay between the 1981 policy mistake and its ultimate correction. So just as the prudent family breadwinner, even with considerable confidence that he or she will survive the year, still pays the life insurance premium, so the prudent policymaker in this day of uncertainty and demographic change should leave a considerable margin against any bad news. The Budget Resolution does not meet this standard.

We can pay down more debt

Another argument for a large and early tax cut is based on a fear that the nation will pay off too much debt. This argument holds that a large portion of the publicly held debt does not mature for ten or more years, and that before that date, all other debt will be paid off, and the federal government will have surpluses left over. That money will have to be invested in private securities, the argument goes, which will distort capital markets and so must be avoided at all costs. Thus, we must dissipate the surplus quickly now, before we remotely approach the holding of "excess balances." In fact, we have far greater flexibility than this argument allows; and we should use that flexibility.

First of all, given how crucial national saving is to our continued prosperity, it is imprudent in the extreme to assume excessive future surpluses over ten or more years, and so cut taxes dramatically and immediately to avoid an "excess surplus" problem that is itself years away. The projected surpluses may or may not materialize. If they do, we can cut taxes years from now and still head off this distant problem. If they do not, a large tax cut now could be most destructive to our economy and our budget.

But beyond that, the problem of irredeemable debt has been overstated. The Treasury has for two years successfully bought back existing debt before it matures in a cost-effective way. Republican arguments that this process will involve exorbitant "penalty premiums" are not borne out by this experience.

Republicans have argued that it is wasteful to buy Treasury bonds that are trading in a free market at prices greater than their face value. But private-sector investors buy Treasury bonds trading at prices greater than their par value every day. Of the 165 separate issues of Treasury bonds listed on the Washington Post website on the morning of March 14, 159 were trading in the free market at premiums.

The most rudimentary analysis of the bond market contradicts this fear of buying bonds at premiums. For example, Getting Started in Bonds, by Sharon Saltzgiver Wright (John Wiley & Sons, 1999, pages 201–202), explains:

> Almost all investors approach buying bonds quite literally, meaning they refuse to pay a premium for a bond. In a cloud of missed opportunities and misunderstanding, they feel paying a premium means you paid too much for a bond. You and I know that all a premium price tells you is that interest rates have fallen since the bond was issued.
>
> Because so many investors have their ignorance lead them away from premium bonds, sometimes these bonds will have higher yields than other similar bonds. So * * * while a premium bond's price may make it appear more expensive to the untrained eye, it can actually be cheaper * * *

So premium prices on bonds indicate simply that the bond was issued at a time of higher interest rates, and so pays a higher yield on its coupon. If the Treasury buys back that bond, it does not have to pay, and so saves, that larger coupon. The Treasury's decision to buy back a bond thus is exactly the same as a private investor's decision to buy that bond. The private investor would pocket the interest and the redemption payment; the Treasury would not have to make the interest and the redemption payment.

Some have argued that the premium problem is not in the present, but in the future. As debt is paid down, the argument goes, Treasury securities will become more expensive because of a scarcity premium. However, their analysis ignores that Treasuries already carry extra value because of a liquidity premium; investors value Treasuries more because there are so many of them, and they are therefore traded so freely, that it is easy to find a buyer on short notice with little loss of value should the need arise. But once the quantity of Treasuries declines, even while scarcity pushes their value up, their reduced liquidity will push their value down. It is by no means clear that the scarcity factor will be stronger than the liquidity factor. In fact, the evidence leans the other way—that Treasuries will become cheaper, not more expensive. Prices of Treasury issues that have been the subject of debt buybacks have declined, not increased (relative to comparable Treasuries whose supply has not been reduced), after the buybacks were concluded. And other nations that have engaged in debt exchanges, a related debt-management tool, have found that the bond issues that they have reduced in size have become cheaper, not more expensive.

In keeping with this analysis, the Treasury's debt buyback program thus far has been a great success. To date, Treasury has successfully and efficiently conducted 24 buyback operations, repurchasing $36.2 billion par amount of debt. The Treasury has received on average 4.1 offers for every bond repurchased. In fact, the Treasury has received more offers per bond for its buybacks than it has for its regular auction sales. Merrill Lynch and Goldman, Sachs both have consistently found that Treasury buyback "concessions" (the difference between the yield paid on repurchased bonds and the yield in the market place at the exact time of a particular buyback operation) have been negligible. GAO concurred when they reported to Congress last month that “while there was variation across the 20 buyback operations, generally the average concession was small or negative.” Over the first 24 buyback operations, Treasury has paid a concession versus the market for non-callable debt on average of only one-tenth to two-tenths of a basis point (that is, a small fraction of 1/100th of one percent). This equates to only $80,000 to $165,000 per billion dollars of buybacks. (Estimates are from Goldman, Sachs & Co., reported by GAO.) Obviously, the cost of continuing the current buyback program would be very small.

Because of this success, the financial markets anticipate that Treasury will repurchase between $35 billion and $45 billion of bonds this year, and will continue buybacks well into the future. Investment banks such as Goldman, Sachs and Merrill Lynch project significant continuing buybacks. Merrill Lynch recently projected approximately $245 billion in buybacks over the next five years. Last year, Goldman, Sachs projected the program growing to $40 billion to $50 billion this year, and to higher levels going forward. Wrightson Associates forecasts that Treasury will continue buybacks at the current pace into the future. The General Accounting Office, in their report to Congress last month, also assumed that buybacks would continue into the future. In assessing the prospects for redemption of non-maturing debt in the future before this Committee, Federal Reserve Chairman Alan Greenspan was very clear that the amount of debt that could be purchased in a cost-effective way is a matter of judgment, and an open question.

The Administration’s judgment on this open question is zero; its estimates of irredeemable debt assume no debt buybacks whatsoever after 2001. But if the Treasury were to engage in debt buybacks according to the projections of these private-sector investment firms and the GAO, it could add almost two years to the time before we would reach the level of “irredeemable debt.” Instead of changing our successful policy now out of fear, we could continue to pay down more debt, and learn with greater certainty whether the projected budget surpluses will in fact materialize. This added information would greatly reduce the chance of making a major public policy mistake.

Passage of the budget is premature

The impatience that drives this Resolution is not justified, and is especially risky. As of the Budget Resolution markup, the Joint Committee on Taxation still maintained that it had too little information to estimate the cost of the President’s proposed tax cut. The Resolution reserves the right to revisit the Department of Agriculture budget. The Department of Defense request in the budget is still tentative, pending the completion of a strategic review. The Administration and Republicans on the Budget Committee have taken great pride in their restraint in waiting to finalize the Defense mark until a broad, comprehensive review of all needs and costs is completed. One can only wonder why the same standard of care should not extend to the budget as a whole—of which national security expenditure is such a large part.

Some would argue that today, with the budget in surplus, our leaders have less need of prudence than did those in the days of routine deficits in the 1970s and the early 1980s. But in 1981, our debt was only about 25 percent of GDP, not the near 35 percent of today; and the retirement of the baby-boom generation was decades away, not the mere seven years that we now have to prepare. Because the effects of economic developments on budget results often appear only after a considerable lag, the Congress could enact a large tax cut now and learn only after a couple of years that it had seriously overstepped. One economic downturn, and the time needed for the economy to recover, could further cut our remaining lead time before the baby boom's retirement. The opportunity for a sound preparation for the budgetary pressure of the baby boom's retirement could be lost for good. Especially given the enormous size of the proposed tax cuts, the much greater risks on the side of acting now make the case for caution much more persuasive. This is no time for risk-taking.

THE TAX CUT

The Resolution's tax cut is lopsided. The advocates claim that the tax cut is fair because the percentage tax reductions in the President's plan are largest at the bottom of the income distribution. However, that amounts to saying that a restaurant worker whose income tax liability of $200 is totally eliminated gets a larger benefit than a lawyer whose $20,000 tax liability is cut in half.

The claim that "the typical family of four will be able to keep at least $1,600 more of their own money when the plan is fully effective" is equally unjustified. A married couple with two children and annual income of $50,000 would get a $1,600 tax cut, though only after 2005 when the plan was fully phased-in. But more than 85 percent of tax filers will get tax cuts less than that amount, and many will get nothing. A single mother with two children and a $22,000 annual income would get nothing. A retired widow with no children and an income of $30,000 would get a mere $300. Meanwhile, the top one percent of tax filers, with incomes averaging more than $900,000 per year, would get an average tax cut of $46,000. The top one percent receives 43 percent of the tax cut's benefits, even though they pay only 21 percent of federal taxes.

Republican statistics are portrayed as if the income tax were the only federal tax. In fact, however, three quarters of all taxpayers pay more payroll taxes than income taxes, and the Resolution does nothing to address this burden. This is because the underlying Bush tax package makes no changes to the earned income tax credit (EITC), which was originally designed in part to offset the impact of payroll taxes on low-income workers.

CONSEQUENCES FOR PRIORITIES

The over-large tax cut impinges on priorities for the government's services to the people. The tentative defense mark may go higher, pending completion of a military posture review, which could swing the budget numbers by hundreds of billions of dollars over the ten-year budget window. To illustrate this point, the Resolution includes no figure for the President's desired missile defense program; impartial estimates suggest that the cost of a system that would meet the President's objectives could be in excess of $100 billion. Meeting the President's campaign goal of holding constant or increasing defense spending as a percentage of GNP would increase ten-year costs by more than $650 billion—almost double the true ten-year reserve of $364 billion in the Resolution.

The non-defense part of the budget is excessively constrained because of the size of the tax cut. While funding the President's new initiatives in education and health research, the budget allows total spending to grow at slightly less than the rate which the Congressional Budget Office (CBO) identifies as necessary to maintain current program levels. Thus, if the new proposals are to be funded, the current core government activities must be cut back—not only in inflation- adjusted terms, but even more from the pace of growth under the Republican Congresses of recent years. There is no indication of where those cuts should fall; they are left to future appropriations cycles, in a manner reminiscent of the 1981 Reagan budget's reliance on "program savings to be identified later"—the notorious "magic asterisk"—to make its numbers add up. As just one example of the priorities left unaddressed because of the size of the tax cut, more people will find it tough to make ends meet if the economy slows down. The President's proposal and this resolution provide no support for basic housing needs, including preserving existing affordable housing, creating new affordable housing, and more importantly increasing down payment assistance so that more low to moderate income Americans can own homes.

THE EMPTY RESERVE FUND

The Resolution purports to cover these and other potential costs with a "contingency reserve" of $517 billion (according to Committee materials). However, this figure is achieved only by funding the President's prescription drug initiative out of the Medicare Part A surplus, thereby shortening Medicare's solvent life. Counting the prescription drug funding out of the general fund, the size of the reserve falls to $364 billion. That is not nearly enough to cover the many conceivable contingencies: the creation of Social Security individual accounts; defense expansions; economic misfortune; or estimating errors. If defense funding increases by as much as the President's campaign promises would suggest, and if the Republican Congress increases appropriations at a rate more like its spending of the last few years rather than what President Bush now requests, then there will be no source for individual Social Security accounts or Medicare prescription drug coverage other than the Social Security and Medicare surpluses, which are already committed to pay existing benefits.

CONCLUSION

The Resolution follows the Bush budget in betting the nation's fiscal future on ten-year projections, just to achieve its large tax cut. But with the retirement of the baby boom just seven years away, this is no time for such risks.

Instead, the Democrats offer a prudent budget framework. It provides a tax cut, but one that is affordable. It addresses the nation's priorities, including education, prescription drug coverage for seniors, and the solvency of Social Security and Medicare. But it leaves more margin for the inevitable bumps in the road over a long ten-year horizon. It does so because we recognize that the future is longer than ten years. By the end of this formal budget window, the new world of an aging population will just be beginning; and what will be around us will be just as unpredictable as this world was ten years ago. The nation has seen once before the enormous costs of overreaching to provide a large tax cut. We must not make that mistake again, certainly not now. We believe that the Democratic alternative is a better approach for the problems and potential of today.

John M. Spratt, Jr.
Jim McDermott.
Bennie G. Thompson.
Ken Bentsen.
Jim Davis.
Eva M. Clayton.
David E. Price.
Jerry Kleczka.
Bob Clement.
James Moran.
Darlene Hooley.
Tammy Baldwin.
Carolyn McCarthy.
Dennis Moore.
Michael E. Capuano.
Michael M. Honda.
Joe Hoeffel.
Jim Matheson.
Rush Holt.

BUDGET RESOLUTION FRAMEWORK

[In billions of dollars]

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–06	2002–11
Baseline Unified Surplus	281.1	312.9	359.1	396.8	432.9	505.0	572.7	635.1	710.4	796.0	888.7	2,006.8	5,609.7
Social Security	156.2	170.8	187.9	201.1	221.3	238.2	256.5	275.9	293.7	311.7	330.5	1,019.4	2,487.7
Medicare Part A	29.0	36.0	39.0	41.0	40.0	44.0	41.0	41.0	39.0	37.0	34.0	200.0	392.0
Available Surplus	95.9	106.1	132.3	154.7	171.6	222.8	275.2	318.2	377.7	447.3	524.2	787.5	2,730.0
Tax Cut	5.8	67.7	83.1	108.6	133.0	167.4	187.2	201.1	217.0	232.7	240.9	559.9	1,638.7
Spending Increases	3.2	15.6	16.3	15.9	17.3	20.3	24.9	29.7	33.2	39.1	44.0	85.5	256.4
Net Interest	0.2	2.7	7.2	13.7	21.9	32.3	45.1	60.0	76.5	95.2	115.8	77.9	470.5
On-Budget Surplus	86.8	20.1	25.6	16.5	(0.6)	2.7	18.1	27.4	51.0	80.2	123.5	64.2	364.4

APPENDIX

H. Con. Res. 83

A Concurrent Resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002.

The Congress declares that the concurrent resolution on the budget for fiscal year 2001 is hereby revised and replaced and that this is the concurrent resolution on the budget for fiscal year 2002 and that the appropriate budgetary levels for fiscal years 2003 through 2011 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2001 through 2011:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2001: $1,624,700,000,000.
Fiscal year 2002: $1,635,800,000,000.
Fiscal year 2003: $1,699,000,000,000.
Fiscal year 2004: $1,755,700,000,000.
Fiscal year 2005: $1,816,700,000,000.
Fiscal year 2006: $1,872,200,000,000.
Fiscal year 2007: $1,948,600,000,000.
Fiscal year 2008: $2,041,700,000,000.
Fiscal year 2009: $2,143,200,000,000.
Fiscal year 2010: $2,256,600,000,000.
Fiscal year 2011: $2,378,000,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2001: $5,800,000,000,000.
Fiscal year 2002: $67,700,000,000.
Fiscal year 2003: $83,100,000,000.
Fiscal year 2004: $108,600,000,000.
Fiscal year 2005: $133,100,000,000.
Fiscal year 2006: $167,400,000,000.
Fiscal year 2007: $187,100,000,000.
Fiscal year 2008: $201,100,000,000.
Fiscal year 2009: $217,000,000,000.

Fiscal year 2010: $232,700,000,000.
Fiscal year 2011: $240,900,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2001: $1,556,900,000,000.
Fiscal year 2002: $1,613,700,000,000.
Fiscal year 2003: $1,660,300,000,000.
Fiscal year 2004: $1,723,200,000,000.
Fiscal year 2005: $1,799,900,000,000.
Fiscal year 2006: $1,851,600,000,000.
Fiscal year 2007: $1,918,000,000,000.
Fiscal year 2008: $1,998,500,000,000.
Fiscal year 2009: $2,077,000,000,000.
Fiscal year 2010: $2,161,500,000,000.
Fiscal year 2011: $2,252,800,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2001: $1,508,900,000,000.
Fiscal year 2002: $1,579,800,000,000.
Fiscal year 2003: $1,634,600,000,000.
Fiscal year 2004: $1,698,600,000,000.
Fiscal year 2005: $1,777,600,000,000.
Fiscal year 2006: $1,825,700,000,000.
Fiscal year 2007: $1,889,900,000,000.
Fiscal year 2008: $1,973,700,000,000.
Fiscal year 2009: $2,053,600,000,000.
Fiscal year 2010: $2,139,900,000,000.
Fiscal year 2011: $2,230,200,000,000.

(4) SURPLUSES.—For purposes of the enforcement of this resolution, the amounts of the surpluses are as follows:

Fiscal year 2001: $115,800,000,000.
Fiscal year 2002: $56,000,000,000.
Fiscal year 2003: $64,400,000,000.
Fiscal year 2004: $57,100,000,000.
Fiscal year 2005: $39,100,000,000.
Fiscal year 2006: $46,500,000,000.
Fiscal year 2007: $58,700,000,000.
Fiscal year 2008: $68,000,000,000.
Fiscal year 2009: $89,600,000,000.
Fiscal year 2010: $116,700,000,000.
Fiscal year 2011: $156,800,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2001: $5,575,000,000,000.
Fiscal year 2002: $5,623,000,000,000.
Fiscal year 2003: $5,674,000,000,000.
Fiscal year 2004: $5,733,000,000,000.
Fiscal year 2005: $5,807,000,000,000.
Fiscal year 2006: $5,903,000,000,000.
Fiscal year 2007: $6,394,000,000,000.
Fiscal year 2008: $6,972,000,000,000.
Fiscal year 2009: $7,596,000,000,000.

Fiscal year 2010: $8,623,000,000,000.
Fiscal year 2011: $9,436,000,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and budget outlays for fiscal years 2001 through 2011 for each major functional category are:

(1) National Defense (050):
Fiscal year 2001:
(A) New budget authority, $310,300,000,000.
(B) Outlays, $300,600,000,000.
Fiscal year 2002:
(A) New budget authority, $324,600,000,000.
(B) Outlays, $319,300,000,000.
Fiscal year 2003:
(A) New budget authority, $333,300,000,000.
(B) Outlays, $325,500,000,000.
Fiscal year 2004:
(A) New budget authority, $342,600,000,000.
(B) Outlays, $334,000,000,000.
Fiscal year 2005:
(A) New budget authority, $352,200,000,000.
(B) Outlays, $347,200,000,000.
Fiscal year 2006:
(A) New budget authority, $362,100,000,000.
(B) Outlays, $354,600,000,000.
Fiscal year 2007:
(A) New budget authority, $372,200,000,000.
(B) Outlays, $361,900,000,000.
Fiscal year 2008:
(A) New budget authority, $382,700,000,000.
(B) Outlays, $375,600,000,000.
Fiscal year 2009:
(A) New budget authority, $393,500,000,000.
(B) Outlays, $386,500,000,000.
Fiscal year 2010:
(A) New budget authority, $404,500,000,000.
(B) Outlays, $397,600,000,000.
Fiscal year 2011:
(A) New budget authority, $416,300,000,000.
(B) Outlays, $409,200,000,000.

(2) International Affairs (150):
Fiscal year 2001:
(A) New budget authority, $22,400,000,000.
(B) Outlays, $19,700,000,000.
Fiscal year 2002:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $19,600,000,000.
Fiscal year 2003:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $19,900,000,000.
Fiscal year 2004:
(A) New budget authority, $24,500,000,000.
(B) Outlays, $20,400,000,000.
Fiscal year 2005:

(A) New budget authority, $25,400,000,000.
(B) Outlays, $20,800,000,000.
Fiscal year 2006:
(A) New budget authority, $26,200,000,000.
(B) Outlays, $21,400,000,000.
Fiscal year 2007:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $22,100,000,000.
Fiscal year 2008:
(A) New budget authority, $27,400,000,000.
(B) Outlays, $22,800,000,000.
Fiscal year 2009:
(A) New budget authority, $28,000,000,000.
(B) Outlays, $23,600,000,000.
Fiscal year 2010:
(A) New budget authority, $28,400,000,000.
(B) Outlays, $24,200,000,000.
Fiscal year 2011:
(A) New budget authority, $29,600,000,000.
(B) Outlays, $25,000,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 2001:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $19,600,000,000.
Fiscal year 2002:
(A) New budget authority, $22,200,000,000.
(B) Outlays, $21,000,000,000.
Fiscal year 2003:
(A) New budget authority, $22,600,000,000.
(B) Outlays, $21,900,000,000.
Fiscal year 2004:
(A) New budget authority, $23,100,000,000.
(B) Outlays, $22,600,000,000.
Fiscal year 2005:
(A) New budget authority, $23,600,000,000.
(B) Outlays, $23,200,000,000.
Fiscal year 2006:
(A) New budget authority, $24,300,000,000.
(B) Outlays, $23,700,000,000.
Fiscal year 2007:
(A) New budget authority, $24,900,000,000.
(B) Outlays, $24,300,000,000.
Fiscal year 2008:
(A) New budget authority, $25,600,000,000.
(B) Outlays, $24,900,000,000.
Fiscal year 2009:
(A) New budget authority, $26,200,000,000.
(B) Outlays, $25,600,000,000.
Fiscal year 2010:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,100,000,000.
Fiscal year 2011:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $26,900,000,000.

(4) Energy (270):
Fiscal year 2001:
(A) New budget authority, $1,200,000,000.
(B) Outlays, −$100,000,000.
Fiscal year 2002:
(A) New budget authority, $800,000,000.
(B) Outlays, −$200,000,000.
Fiscal year 2003:
(A) New budget authority, $800,000,000.
(B) Outlays, −$500,000,000.
Fiscal year 2004:
(A) New budget authority, $900,000,000.
(B) Outlays, −$600,000,000.
Fiscal year 2005:
(A) New budget authority, $900,000,000.
(B) Outlays, −$500,000,000.
Fiscal year 2006:
(A) New budget authority, $1,000,000,000.
(B) Outlays, −$400,000,000.
Fiscal year 2007:
(A) New budget authority, $1,100,000,000.
(B) Outlays, −$200,000,000.
Fiscal year 2008:
(A) New budget authority, $2,200,000,000.
(B) Outlays, $400,000,000.
Fiscal year 2009:
(A) New budget authority, $2,300,000,000.
(B) Outlays, $800,000,000.
Fiscal year 2010:
(A) New budget authority, $2,300,000,000.
(B) Outlays, $1,000,000,000.
Fiscal year 2011:
(A) New budget authority, $2,200,000,000.
(B) Outlays, $900,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 2001:
(A) New budget authority, $28,000,000,000.
(B) Outlays, $26,400,000,000.
Fiscal year 2002:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,400,000,000.
Fiscal year 2003:
(A) New budget authority, $26,800,000,000.
(B) Outlays, $27,000,000,000.
Fiscal year 2004:
(A) New budget authority, $27,700,000,000.
(B) Outlays, $27,500,000,000.
Fiscal year 2005:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,700,000,000.
Fiscal year 2006:
(A) New budget authority, $28,000,000,000.
(B) Outlays, $27,800,000,000.
Fiscal year 2007:

(A) New budget authority, $28,600,000,000.
(B) Outlays, $28,300,000,000.
Fiscal year 2008:
(A) New budget authority, $29,300,000,000.
(B) Outlays, $28,800,000,000.
Fiscal year 2009:
(A) New budget authority, $30,600,000,000.
(B) Outlays, $29,900,000,000.
Fiscal year 2010:
(A) New budget authority, $31,200,000,000.
(B) Outlays, $30,500,000,000.
Fiscal year 2011:
(A) New budget authority, $32,400,000,000.
(B) Outlays, $31,500,000,000.

(6) Agriculture (350):
Fiscal year 2001:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $23,700,000,000.
Fiscal year 2002:
(A) New budget authority, $19,100,000,000.
(B) Outlays, $17,500,000,000.
Fiscal year 2003:
(A) New budget authority, $18,600,000,000.
(B) Outlays, $17,000,000,000.
Fiscal year 2004:
(A) New budget authority, $18,500,000,000.
(B) Outlays, $17,100,000,000.
Fiscal year 2005:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $16,900,000,000.
Fiscal year 2006:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $16,300,000,000.
Fiscal year 2007:
(A) New budget authority, $16,500,000,000.
(B) Outlays, $14,900,000,000.
Fiscal year 2008:
(A) New budget authority, $15,600,000,000.
(B) Outlays, $14,100,000,000.
Fiscal year 2009:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $14,400,000,000.
Fiscal year 2010:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $14,500,000,000.
Fiscal year 2011:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $14,700,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 2001:
(A) New budget authority, $2,500,000,000.
(B) Outlays, −$800,000,000.
Fiscal year 2002:
(A) New budget authority, $7,400,000,000.

(B) Outlays, $4,400,000,000.
Fiscal year 2003:
(A) New budget authority, $8,600,000,000.
(B) Outlays, $3,200,000,000.
Fiscal year 2004:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $8,600,000,000.
Fiscal year 2005:
(A) New budget authority, $12,700,000,000.
(B) Outlays, $9,000,000,000.
Fiscal year 2006:
(A) New budget authority, $12,700,000,000.
(B) Outlays, $8,400,000,000.
Fiscal year 2007:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $9,200,000,000.
Fiscal year 2008:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $9,300,000,000.
Fiscal year 2009:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $9,600,000,000.
Fiscal year 2010:
(A) New budget authority, $18,700,000,000.
(B) Outlays, $12,800,000,000.
Fiscal year 2011:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $9,800,000,000.
(8) Transportation (400):
Fiscal year 2001:
(A) New budget authority, $62,100,000,000.
(B) Outlays, $51,700,000,000.
Fiscal year 2002:
(A) New budget authority, $61,000,000,000.
(B) Outlays, $55,600,000,000.
Fiscal year 2003:
(A) New budget authority, $58,700,000,000.
(B) Outlays, $58,300,000,000.
Fiscal year 2004:
(A) New budget authority, $59,200,000,000.
(B) Outlays, $60,200,000,000.
Fiscal year 2005:
(A) New budget authority, $59,700,000,000.
(B) Outlays, $62,000,000,000.
Fiscal year 2006:
(A) New budget authority, $60,300,000,000.
(B) Outlays, $63,700,000,000.
cal year 2007:
(A) New budget authority, $60,800,000,000.
(B) Outlays, $64,900,000,000.
Fiscal year 2008:
(A) New budget authority, $61,300,000,000.
(B) Outlays, $66,400,000,000.
Fiscal year 2009:

(A) New budget authority, $61,800,000,000.
(B) Outlays, $68,000,000,000.
Fiscal year 2010:
(A) New budget authority, $62,200,000,000.
(B) Outlays, $69,300,000,000.
Fiscal year 2011:
(A) New budget authority, $63,100,000,000.
(B) Outlays, $71,200,000,000.
(9) Community and Regional Development (450):
Fiscal year 2001:
(A) New budget authority, $11,200,000,000.
(B) Outlays, $11,400,000,000.
Fiscal year 2002:
(A) New budget authority, $10,100,000,000.
(B) Outlays, $11,400,000,000.
Fiscal year 2003:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $11,000,000,000.
Fiscal year 2004:
(A) New budget authority, $10,600,000,000.
(B) Outlays, $10,700,000,000.
Fiscal year 2005:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,400,000,000.
Fiscal year 2006:
(A) New budget authority, $11,200,000,000.
(B) Outlays, $10,300,000,000.
Fiscal year 2007:
(A) New budget authority, $11,500,000,000.
(B) Outlays, $10,500,000,000.
Fiscal year 2008:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $10,800,000,000.
Fiscal year 2009:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $11,000,000,000.
Fiscal year 2010:
(A) New budget authority, $12,300,000,000.
(B) Outlays, $11,300,000,000.
Fiscal year 2011:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $11,600,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 2001:
(A) New budget authority, $76,900,000,000.
(B) Outlays, $69,800,000,000.
Fiscal year 2002:
(A) New budget authority, $82,100,000,000.
(B) Outlays, $76,200,000,000.
Fiscal year 2003:
(A) New budget authority, $82,000,000,000.
(B) Outlays, $81,700,000,000.
Fiscal year 2004:

(A) New budget authority, $83,900,000,000.
(B) Outlays, $82,300,000,000.
Fiscal year 2005:
(A) New budget authority, $87,300,000,000.
(B) Outlays, $84,800,000,000.
Fiscal year 2006:
(A) New budget authority, $90,200,000,000.
(B) Outlays, $87,700,000,000.
Fiscal year 2007:
(A) New budget authority, $92,800,000,000.
(B) Outlays, $90,400,000,000.
Fiscal year 2008:
(A) New budget authority, $95,700,000,000.
(B) Outlays, $93,000,000,000.
Fiscal year 2009:
(A) New budget authority, $98,400,000,000.
(B) Outlays, $95,900,000,000.
Fiscal year 2010:
(A) New budget authority, $100,500,000,000.
(B) Outlays, $98,400,000,000.
Fiscal year 2011:
(A) New budget authority, $104,600,000,000.
(B) Outlays, $101,400,000,000.

(11) Health (550):
Fiscal year 2001:
(A) New budget authority, $182,600,000,000.
(B) Outlays, $175,500,000,000.
Fiscal year 2002:
(A) New budget authority, $204,000,000,000.
(B) Outlays, $201,100,000,000.
Fiscal year 2003:
(A) New budget authority, $229,700,000,000.
(B) Outlays, $225,800,000,000.
Fiscal year 2004:
(A) New budget authority, $246,500,000,000.
(B) Outlays, $244,700,000,000.
Fiscal year 2005:
(A) New budget authority, $253,800,000,000.
(B) Outlays, $251,500,000,000.
Fiscal year 2006:
(A) New budget authority, $266,800,000,000.
(B) Outlays, $264,600,000,000.
Fiscal year 2007:
(A) New budget authority, $287,000,000,000.
(B) Outlays, $284,200,000,000.
Fiscal year 2008:
(A) New budget authority, $307,600,000,000.
(B) Outlays, $305,200,000,000.
Fiscal year 2009:
(A) New budget authority, $329,700,000,000.
(B) Outlays, $327,600,000,000.
Fiscal year 2010:
(A) New budget authority, $354,200,000,000.
(B) Outlays, $352,500,000,000.

Fiscal year 2011:
(A) New budget authority, $382,400,000,000.
(B) Outlays, $380,200,000,000.
(12) Medicare (570):
Fiscal year 2001:
(A) New budget authority, $217,500,000,000.
(B) Outlays, $217,700,000,000.
Fiscal year 2002:
(A) New budget authority, $229,100,000,000.
(B) Outlays, $229,100,000,000.
Fiscal year 2003:
(A) New budget authority, $243,900,000,000.
(B) Outlays, $243,700,000,000.
Fiscal year 2004:
(A) New budget authority, $260,200,000,000.
(B) Outlays, $260,400,000,000.
Fiscal year 2005:
(A) New budget authority, $291,800,000,000.
(B) Outlays, $291,700,000,000.
Fiscal year 2006:
(A) New budget authority, $309,900,000,000.
(B) Outlays, $309,700,000,000.
Fiscal year 2007:
(A) New budget authority, $336,100,000,000.
(B) Outlays, $336,400,000,000.
Fiscal year 2008:
(A) New budget authority, $362,800,000,000.
(B) Outlays, $362,700,000,000.
Fiscal year 2009:
(A) New budget authority, $391,100,000,000.
(B) Outlays, $390,800,000,000.
Fiscal year 2010:
(A) New budget authority, $423,400,000,000.
(B) Outlays, $423,700,000,000.
Fiscal year 2011:
(A) New budget authority, $459,400,000,000.
(B) Outlays, $459,400,000,000.
(13) Income Security (600):
Fiscal year 2001:
(A) New budget authority, $255,900,000,000.
(B) Outlays, $256,900,000,000.
Fiscal year 2002:
(A) New budget authority, $271,500,000,000.
(B) Outlays, $272,100,000,000.
Fiscal year 2003:
(A) New budget authority, $281,800,000,000.
(B) Outlays, $282,300,000,000.
Fiscal year 2004:
(A) New budget authority, $293,300,000,000.
(B) Outlays, $292,500,000,000.
Fiscal year 2005:
(A) New budget authority, $308,100,000,000.
(B) Outlays, $306,700,000,000.
Fiscal year 2006:

(A) New budget authority, $315,900,000,000.
(B) Outlays, $314,400,000,000.
Fiscal year 2007:
(A) New budget authority, $323,400,000,000.
(B) Outlays, $321,900,000,000.
Fiscal year 2008:
(A) New budget authority, $337,900,000,000.
(B) Outlays, $336,500,000,000.
Fiscal year 2009:
(A) New budget authority, $349,300,000,000.
(B) Outlays, $347,600,000,000.
Fiscal year 2010:
(A) New budget authority, $359,900,000,000.
(B) Outlays, $358,200,000,000.
Fiscal year 2011:
(A) New budget authority, $371,600,000,000.
(B) Outlays, $369,400,000,000.
(14) Social Security (650):
Fiscal year 2001:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $9,800,000,000.
Fiscal year 2002:
(A) New budget authority, $11,000,000,000.
(B) Outlays, $11,000,000,000.
Fiscal year 2003:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $11,700,000,000.
Fiscal year 2004:
(A) New budget authority, $12,500,000,000.
(B) Outlays, $12,500,000,000.
Fiscal year 2005:
(A) New budget authority, $13,300,000,000.
(B) Outlays, $13,300,000,000.
Fiscal year 2006:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $14,200,000,000.
Fiscal year 2007:
(A) New budget authority, $15,200,000,000.
(B) Outlays, $15,200,000,000.
Fiscal year 2008:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $16,200,000,000.
Fiscal year 2009:
(A) New budget authority, $17,500,000,000.
(B) Outlays, $17,500,000,000.
Fiscal year 2010:
(A) New budget authority, $18,900,000,000.
(B) Outlays, $18,900,000,000.
Fiscal year 2011:
(A) New budget authority, $20,400,000,000.
(B) Outlays, $20,400,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 2001:
(A) New budget authority, $46,700,000,000.

(B) Outlays, $45,900,000,000.

Fiscal year 2002:

(A) New budget authority, $52,300,000,000.

(B) Outlays, $51,600,000,000.

Fiscal year 2003:

(A) New budget authority, $53,000,000,000.

(B) Outlays, $52,800,000,000.

Fiscal year 2004:

(A) New budget authority, $55,300,000,000.

(B) Outlays, $54,900,000,000.

Fiscal year 2005:

(A) New budget authority, $59,300,000,000.

(B) Outlays, $58,900,000,000.

Fiscal year 2006:

(A) New budget authority, $58,800,000,000.

(B) Outlays, $58,300,000,000.

Fiscal year 2007:

(A) New budget authority, $58,100,000,000.

(B) Outlays, $57,700,000,000.

Fiscal year 2008:

(A) New budget authority, $62,000,000,000.

(B) Outlays, $61,600,000,000.

Fiscal year 2009:

(A) New budget authority, $63,400,000,000.

(B) Outlays, $63,000,000,000.

Fiscal year 2010:

(A) New budget authority, $64,700,000,000.

(B) Outlays, $64,400,000,000.

Fiscal year 2011:

(A) New budget authority, $67,100,000,000.

(B) Outlays, $66,700,000,000.

(16) Administration of Justice (750):

Fiscal year 2001:

(A) New budget authority, $30,600,000,000.

(B) Outlays, $30,000,000,000.

Fiscal year 2002:

(A) New budget authority, $30,900,000,000.

(B) Outlays, $30,300,000,000.

Fiscal year 2003:

(A) New budget authority, $31,900,000,000.

(B) Outlays, $32,100,000,000.

Fiscal year 2004:

(A) New budget authority, $33,600,000,000.

(B) Outlays, $34,100,000,000.

Fiscal year 2005:

(A) New budget authority, $34,600,000,000.

(B) Outlays, $34,700,000,000.

Fiscal year 2006:

(A) New budget authority, $35,700,000,000.

(B) Outlays, $35,300,000,000.

Fiscal year 2007:

(A) New budget authority, $36,600,000,000.

(B) Outlays, $36,100,000,000.

Fiscal year 2008:

(A) New budget authority, $37,600,000,000.
(B) Outlays, $37,100,000,000.
Fiscal year 2009:
(A) New budget authority, $38,500,000,000.
(B) Outlays, $38,100,000,000.
Fiscal year 2010:
(A) New budget authority, $39,200,000,000.
(B) Outlays, $38,800,000,000.
Fiscal year 2011:
(A) New budget authority, $40,800,000,000.
(B) Outlays, $40,200,000,000.
(17) General Government (800):
Fiscal year 2001:
(A) New budget authority, $16,300,000,000.
(B) Outlays, $16,100,000,000.
Fiscal year 2002:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $16,300,000,000.
Fiscal year 2003:
(A) New budget authority, $16,300,000,000.
(B) Outlays, $16,300,000,000.
Fiscal year 2004:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $16,600,000,000.
Fiscal year 2005:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $16,700,000,000.
Fiscal year 2006:
(A) New budget authority, $17,500,000,000.
(B) Outlays, $17,100,000,000.
Fiscal year 2007:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,500,000,000.
Fiscal year 2008:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 2009:
(A) New budget authority, $18,400,000,000.
(B) Outlays, $18,000,000,000.
Fiscal year 2010:
(A) New budget authority, $18,700,000,000.
(B) Outlays, $18,300,000,000.
Fiscal year 2011:
(A) New budget authority, $19,400,000,000.
(B) Outlays, $18,900,000,000.
(18) Net Interest (900):
Fiscal year 2001:
(A) New budget authority, $273,600,000,000.
(B) Outlays, $273,600,000,000.
Fiscal year 2002:
(A) New budget authority, $257,600,000,000.
(B) Outlays, $257,600,000,000.
Fiscal year 2003:
(A) New budget authority, $253,200,000,000.

(B) Outlays, $253,200,000,000.

Fiscal year 2004:

(A) New budget authority, $248,500,000,000.

(B) Outlays, $248,500,000,000.

Fiscal year 2005:

(A) New budget authority, $242,400,000,000.

(B) Outlays, $242,400,000,000.

Fiscal year 2006:

(A) New budget authority, $239,000,000,000.

(B) Outlays, $239,000,000,000.

Fiscal year 2007:

(A) New budget authority, $236,500,000,000.

(B) Outlays, $236,500,000,000.

Fiscal year 2008:

(A) New budget authority, $233,300,000,000.

(B) Outlays, $233,300,000,000.

Fiscal year 2009:

(A) New budget authority, $229,300,000,000.

(B) Outlays, $229,300,000,000.

Fiscal year 2010:

(A) New budget authority, $224,400,000,000.

(B) Outlays, $224,400,000,000.

Fiscal year 2011:

(A) New budget authority, $219,100,000,000.

(B) Outlays, $219,100,000,000.

(19) Allowances (920):

Fiscal year 2001:

(A) New budget authority, −$500,000,000.

(B) Outlays, −$300,000,000.

Fiscal year 2002:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $1,800,000,000.

Fiscal year 2003:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $4,000,000,000.

Fiscal year 2004:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $4,800,000,000.

Fiscal year 2005:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $5,700,000,000.

Fiscal year 2006:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,100,000,000.

Fiscal year 2007:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,300,000,000.

Fiscal year 2008:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,400,000,000.

Fiscal year 2009:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $6,600,000,000.

Fiscal year 2010:

(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,800,000,000.
Fiscal year 2011:
(A) New budget authority, $7,500,000,000.
(B) Outlays, $7,000,000,000.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 2001:
(A) New budget authority, −$38,300,000,000.
(B) Outlays, −$38,300,000,000.
Fiscal year 2002:
(A) New budget authority, −$42,300,000,000.
(B) Outlays, −$42,300,000,000.
Fiscal year 2003:
(A) New budget authority, −$52,300,000,000.
(B) Outlays, −$52,300,000,000.
Fiscal year 2004:
(A) New budget authority, −$53,200,000,000.
(B) Outlays, −$53,200,000,000.
Fiscal year 2005:
(A) New budget authority, −$45,500,000,000.
(B) Outlays, −$45,500,000,000.
Fiscal year 2006:
(A) New budget authority, −$46,500,000,000.
(B) Outlays, −$46,500,000,000.
Fiscal year 2007:
(A) New budget authority, −$48,200,000,000.
(B) Outlays, −$48,200,000,000.
Fiscal year 2008:
(A) New budget authority, −$49,100,000,000.
(B) Outlays, −$49,100,000,000.
Fiscal year 2009:
(A) New budget authority, −$50,200,000,000.
(B) Outlays, −$50,200,000,000.
Fiscal year 2010:
(A) New budget authority, −$51,800,000,000.
(B) Outlays, −$51,800,000,000.
Fiscal year 2011:
(A) New budget authority, −$53,300,000,000.
(B) Outlays, −$53,300,000,000.

SEC. 4. RECONCILIATION.

(a) SUBMISSIONS BY THE HOUSE COMMITTEE ON WAYS AND MEANS FOR TAX RELIEF.—The House Committee on Ways and Means shall—

(1) report to the House a reconciliation bill—
(A) not later than May 2, 2001;
(B) not later than May 23, 2001; and
(C) not later than June 20, 2001; and

(2) submit to the Committee on the Budget recommendations pursuant to section (c)(2)(F)(ii) not later than September 11, 2001;

that consists of changes in laws within its jurisdiction sufficient to reduce the total level of revenues by not more than: $5,783,000,000 for fiscal year 2001, $64,427,000,000 for fiscal year 2002, $80,036,000,000 for fiscal year 2003,

$106,584,000,000 for fiscal year 2004, $130,973,000,000 for fiscal year 2005, $165,166,000,000 for fiscal year 2006, and $1,625,951,000,000 for the period of fiscal year 2001 through 2011.

(b) SUBMISSIONS BY HOUSE COMMITTEES ON ENERGY AND COMMERCE AND WAYS AND MEANS FOR MEDICARE REFORM AND PRESCRIPTION DRUGS.—(1) Not later than July 24, 2001, the House Committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2)(A) The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to increase outlays by not more than the following: $2,500,000,000 for fiscal year 2001, $11,200,000,000 for fiscal year 2002, $12,900,000,000 for fiscal year 2003, $14,800,000,000 for fiscal year 2004, $12,500,000,000 for fiscal year 2005, $12,800,000,000 for fiscal year 2006, and $153,000,000 for the period of fiscal year 2001 through 2011.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending sufficient to increase outlays by not more than the following: $2,500,000,000 for fiscal year 2001, $11,200,000,000 for fiscal year 2002, $12,900,000,000 for fiscal year 2003, $14,800,000,000 for fiscal year 2004, $12,500,000,000 for fiscal year 2005, $12,800,000,000 for fiscal year 2006, and $153,000,000,000 for the period of fiscal year 2001 through 2011.

(c) OTHER SUBMISSIONS BY HOUSE COMMITTEES.—(1) Not later than September 11, 2001, the House Committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2)(A) The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending sufficient to increase outlays by not more than the following: $5,000,000 for fiscal year 2001, $5,000,000 for fiscal year 2002, $5,000,000 for fiscal year 2003, $5,000,000 for fiscal year 2004, $7,000,000 for fiscal year 2005, $10,000,000 for fiscal year 2006, and $87,000,000 for the period of fiscal year 2001 through 2011.

(B) The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to increase outlays by not more than the following: $0 for fiscal year 2001, $180,000,000 for fiscal year 2002, $466,000,000 for fiscal year 2003, $561,000,000 for fiscal year 2004, $681,000,000 for fiscal year 2005, $836,000,000 for fiscal year 2006, and $7,867,000,000 for the period of fiscal year 2001 through 2011.

(C) The House Committee on Financial Services shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce revenues, as follows: $0 for fiscal year 2001, $139,000,000 for fiscal year 2002, $101,000,000 for fiscal year 2003,

$92,000,000 for fiscal year 2004, $96,000,000 for fiscal year 2005, $101,000,000 for fiscal year 2006, and $1,112,000,000 for the period of fiscal year 2001 through 2011.

(D) The House Committee on Government Reform shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce outlays by not less than the following: $0 for fiscal year 2001, $0 for fiscal year 2002, $496,000,000 for fiscal year 2003, $523,000,000 for fiscal year 2004, $501,000,000 for fiscal year 2005, $475,000,000 for fiscal year 2006, and $3,871,000 for the period of fiscal year 2001 through 2011.

(E) The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending sufficient to increase outlays by not more than the following: $0 for fiscal year 2001, $264,000,000 for fiscal year 2002, $479,000,000 for fiscal year 2003, $761,000,000 for fiscal year 2004, $816,000,000 for fiscal year 2005, $885,000,000 for fiscal year 2006, and $7,087,000,000 for the period of fiscal year 2001 through 2011.

(F)(i) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending sufficient to increase outlays by not more than the following: $0 for fiscal year 2001, $820,000,000 for fiscal year 2002, $3,035,000,000 for fiscal year 2003, $2,842,000,000 for fiscal year 2004, $3,925,000,000 for fiscal year 2005, $4,267,000,000 for fiscal year 2006, and $39,515,000,000 for the period of fiscal year 2001 through 2011.

(ii) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the total level of revenues as specified in subsection (a).

(d) SPECIAL RULES.—In the House, if any bill reported pursuant to subsection (a) or subsection (c)(2)(F)(ii), amendment thereto or conference report thereon, has refundable tax provisions that increase outlays, the chairman of the Committee on the Budget may increase the amount of new budget authority provided by such provisions (and outlays flowing therefrom) allocated to the Committee on Ways and Means and adjust the revenue levels set forth in such subsection accordingly such that the increase in outlays and reduction in revenue resulting from such bill does not exceed the amounts specified in subsection (a) or subsection (c)(2)(F)(ii), as applicable.

SEC. 5. RESERVE FUND FOR EMERGENCIES.

(a) ADJUSTMENTS FOR EMERGENCIES.—In the House, after the reporting of a bill or joint resolution by the Committee on Appropriations, the offering of an amendment thereto, or the submission of a conference report thereon, the chairman of the Committee on the Budget shall increase the allocation of new budget authority and outlays under section 302(a) of the Congressional Budget Act of 1974 for fiscal year 2002 by the amount provided by that measure for an emergency as defined by this section. Adjustments to such allocation made under this subsection may be made only for amounts for emergencies in excess of $1,923,000,000 in new budget authority for fiscal year 2002 and the total of any such adjustments for such fiscal year shall not exceed $5,627,000,000 in new budget authority.

(b) DEFINITIONS.—As used in this section:

(1) The term 'emergency' means a situation (other than a threat to national security) that—

(A) requires new budget authority (and outlays flowing therefrom) to prevent the imminent loss of life or property or in response to the loss of life or property; and

(B) is unanticipated.

(2) The term 'unanticipated' means that the underlying situation is—

(A) sudden, which means quickly coming into being or not building up over time;

(B) urgent, which means a pressing and compelling need requiring immediate action;

(C) unforeseen, which means not predicted or anticipated as an emerging need; and

(D) temporary, which means not of a permanent duration.

(c) DEVELOPMENT OF GUIDELINES.—As soon as practicable, the chairman of the Committee on the Budget of the House shall, after consulting with the chairman of the Committee on Appropriations of the House, publish in the Congressional Record guidelines for application of the definition of emergency set forth in subsection (b).

(d) COMMITTEE EXPLANATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations of the House (including a committee of conference) reports any bill or joint resolution that provides new budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) should explain the reasons such amount designated under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1974 falls within the definition of emergency set forth in subsection (b) pursuant to the guidelines published under subsection (c).

(e) CBO REPORT ON THE BUDGET.—The Director of the Congressional Budget Office shall include in each report submitted under section 202(e)(1) of the Congressional Budget Act of 1974 the average annual enacted levels of discretionary budget authority and the resulting outlays for emergencies for the 5 fiscal years preceding the fiscal year of the most recently agreed to concurrent resolution on the budget.

(f) SECTION 314(b)(1) ADJUSTMENT.—Section 314(b)(1) of the Congressional Budget Act of 1974 shall not apply in the House—

(1) for fiscal year 2001; or

(2) for fiscal year 2002 or any subsequent fiscal year, except for emergencies affecting national security.

SEC. 6. STRATEGIC RESERVE FUND.

(a) ADJUSTMENTS.—In the House, the chairman of the Committee on the Budget may, not later than July 25, 2001, increase allocations of new budget authority (and outlays flowing therefrom) and adjust aggregates (and adjust any other appropriate levels) for fiscal year 2002 for a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for any fiscal year for a bill to reauthorize title I of the Federal Agriculture Improvement Act of 1996 and other appropriate legislation, reported by July 11, 2001; and, in the House, the chairman may also make adjustments for amendments to or conference reports on such bills. The chairman shall consider the recommendations of the President's National Defense Review, any comparable review by the President of national agricultural policy, and any statement of administrative policy or supplemental budget request relating to any matter referred to in the preceding sentence.

(b) LIMITATIONS.—(1) The adjustments for any bill referred to in subsection (a) shall be in an amount not to exceed the amount by which such bill breaches the applicable allocation or aggregate.

(2) The total adjustments made under subsection (a) for any fiscal year may not cause the surplus set forth in this resolution for any fiscal year, as adjusted, covered by this resolution to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, as determined consistent with procedures set forth in H.R. 2 (107th Congress), as passed the House.

SEC. 7. SUPPLEMENTAL RESERVE FUND FOR MEDICARE.

In the House, whenever a reconciliation bill is reported, or an amendment thereto is offered or a conference report thereon is submitted, under section 4, the chairman of the Committee on the Budget may, for any of fiscal years 2001 through 2011, increase any allocations and aggregates of new budget authority (and outlays resulting therefrom) up to the amount provided by that measure to reform medicare and provide coverage for prescription drugs that is in excess of the instruction to the Committee on Energy and Commerce and the Committee on Ways and Means under section 4(b) (and make all other appropriate adjustments). The total adjustments made under this section for any fiscal year may not exceed the amount by which the Congressional Budget Office's estimate of the President's prescription drug plan (or, if such a plan is not submitted in a timely manner, the Congressional Budget Office's estimate of a comparable plan submitted by the chairmen of the committees of jurisdiction at levels to be determined by the chairman of the Committee on the Budget) exceeds the levels set forth in section 4(b)(2) for the period of fiscal years 2001 through 2011.

SEC. 8. RESERVE FUND FOR FISCAL YEAR 2001.

(a) ADJUSTMENTS.—In the House, the chairman of the Committee on the Budget may increase allocations of new budget authority (and outlays flowing therefrom) and adjust aggregates (and adjust any other appropriate levels) for fiscal year 2001 for reported bills, or amendments thereto or conference reports thereon, by the amount of new budget authority (and the outlays resulting therefrom) provided by such measure to eliminate shortfalls for the Department of Defense, for assistance for producers of program crops and specialty crops, and for other critical needs.

(b) LIMITATIONS.—(1) The adjustments for any bill referred to in subsection (a) shall be in an amount not to exceed the amount by which such bill breaches the applicable allocation or aggregate.

(2) The total adjustments made under subsection (a) for fiscal year 2001 may not cause the surplus set forth in this resolution for that fiscal year, as adjusted, to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, as deter-

mined consistent with procedures set forth in H.R. 2 (107th Congress), as passed the House.

SEC. 9. RESERVE FUND FOR PROMOTION OF FULL FUNDING FOR SPECIAL EDUCATION.

In the House, whenever the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered, or a conference report thereon is submitted that provides new budget authority for fiscal year 2002 in excess of $6,368,000,000 for programs authorized under the Individuals with Disabilities Education Act (IDEA), the chairman of the Committee on the Budget may increase the appropriate allocations of new budget authority and outlays by the amount of that excess, but not to exceed $1,250,000,000 (and adjust any other appropriate levels).

SEC. 10. RESERVE FUND FOR ADDITIONAL TAX CUTS AND DEBT REDUCTION.

If the report provided pursuant to section 202(e)(2) of the Congressional Budget Act of 1974, the budget and economic outlook: update (for fiscal years 2002 through 2011), estimates an on-budget surplus for any of fiscal years 2001 through 2011 that exceeds the estimated on-budget surplus set forth in the Congressional Budget Office's January 2001 budget and economic outlook for such fiscal year, the chairman of the Committee on the Budget of the House may, in an amount not to exceed the increase in such surplus for that fiscal year—

(1) reduce the recommended level of Federal revenues and make other appropriate adjustments (including the reconciliation instructions) for that fiscal year;

(2) reduce the appropriate level of the public debt, increase the amount of the surplus, and make other appropriate adjustments for that fiscal year; or

(3) any combination of paragraphs (1) and (2).

SEC. 11. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives; and

(2) such chairman, as applicable, may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 12. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of such Act to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) SPECIAL RULE.—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 13. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

For purposes of title III of the Congressional Budget Act of 1974, advance appropriations shall be scored as new budget authority for the fiscal year in which the appropriations are enacted, except that advance appropriations in excess of the levels specified in the joint explanatory statement of managers accompanying this resolution for programs, projects, activities or accounts identified in such joint statement shall continue to be scored as new budget authority in the year in which they first become available for obligation.

SEC. 14. FEDERAL EMPLOYEE PAY.

(a) FINDINGS.—The House of Representatives finds the following:

(1) Members of the uniformed services and civilian employees of the United States make significant contributions to the general welfare of the Nation.

(2) Increases in the pay of members of the uniformed services and of civilian employees of the United States have not kept pace with increases in the overall pay levels of workers in the private sector, so that there now exists—

(A) a 32 percent gap between compensation levels of Federal civilian employees and compensation levels of private sector workers; and

(B) an estimated 10 percent gap between compensation levels of members of the uniformed services and compensation levels of private sector workers.

(3) The President's budget proposal for fiscal year 2002 includes a 4.6 percent pay raise for military personnel.

(4) The Office of Management and Budget has requested that Federal agencies plan their fiscal year 2002 budgets with a 3.6 percent pay raise for civilian Federal employees.

(5) In almost every year during the past 2 decades, there have been equal adjustments in the compensation of members of the uniformed services and the compensation of civilian employees of the United States.

(b) SENSE OF THE HOUSE OF REPRESENTATIVES.—It is the sense of the House of Representatives that rates of compensation for civilian employees of the United States should be adjusted at the same time, and in the same proportion, as are rates of compensation for members of the uniformed services.

SEC. 15. ASSET BUILDING FOR THE WORKING POOR.

(a) FINDINGS.—Congress find the following:

(1) For the vast majority of United States households, the pathway to the economic mainstream and financial security is not through spending and consumption, but through savings, investing, and the accumulation of assets.

(2) One-third of all Americans have no assets available for investment and another 20 percent have only negligible assets. The situation is even more serious for minority households; for example, 60 percent of African-American households have no or negative financial assets.

(3) Nearly 50 percent of all children in America live in households that have no assets available for investment, including 40 percent of Caucasian children and 73 percent of African-American children.

(4) Up to 20 percent of all United States households do not deposit their savings in financial institutions and, thus, do not have access to the basic financial tools that make asset accumulation possible.

(5) Public policy can have either a positive or a negative impact on asset accumulation. Traditional public assistance programs based on income and consumption have rarely been successful in supporting the transition to economic self-sufficiency. Tax policy, through $288,000,000,000 in annual tax incentives, has helped lay the foundation for the great middle class.

(6) Lacking an income tax liability, low-income working families cannot take advantage of asset development incentives available through the Federal tax code.

(7) Individual Development Accounts have proven to be successful in helping low-income working families save and accumulate assets. Individual Development Accounts have been used to purchase long-term, high-return assets, including homes, postsecondary education and training, and small business.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Federal tax code should support a significant expansion of Individual Development Accounts so that millions of low-income, working families can save, build assets, and move their lives forward; thus, making positive contributions to the economic and social well-being of the United States, as well as to its future.

SEC. 16. FEDERAL FIRE PREVENTION ASSISTANCE.

(a) FINDINGS.—Congress finds the following:

(1) Increased demands on firefighting and emergency medical personnel have made it difficult for local governments to adequately fund necessary fire safety precautions.

(2) The Government has an obligation to protect the health and safety of the firefighting personnel of the United States and to ensure that they have the financial resources to protect the public.

(3) The high rates in the United States of death, injury, and property damage caused by fires demonstrates a critical need for Federal investment in support of firefighting personnel.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Government should support the core operations of the Federal

Emergency Management Agency by providing needed fire grant programs to assist our firefighters and rescue personnel as they respond to more than 17,000,000 emergency calls annually. To accomplish this task, Congress supports preservation of the Assistance to Firefighters grant program. Continued support of the Assistance to Firefighters grant program will enable local firefighters to adequately protect the lives of countless Americans put at risk by insufficient fire protection.

SEC. 17. SALES TAX DEDUCTION.

(a) FINDINGS.—The House finds that—

(1) in 1986 the ability to deduct State sales taxes was eliminated from the Federal tax code;

(2) the States of Tennessee, Texas, Wyoming, Washington, Florida, Nevada, and South Dakota have no State income tax;

(3) the citizens of those seven States continue to be treated unfairly by paying significantly more in taxes to the Government than taxpayers with an identical profile in different State because they are prohibited from deducting their State sales taxes from their Federal income taxes in lieu of a State income tax;

(4) the design of the Federal tax code is preferential in its treatment of States with State income taxes over those without State income taxes;

(5) the current Federal tax code infringes upon States' rights to tax their citizens as they see fit in that the Federal tax code exerts unjust influence on States without State income taxes to impose one their citizens;

(6) the current surpluses that our Government holds provide an appropriate time and opportunity to allow taxpayers to deduct either their State sales taxes or their State income taxes from their Federal income tax returns; and

(7) over 50 Members of the House have cosponsored legislation to restore the sales tax deduction option to the Federal tax code.

(b) SENSE OF HOUSE.—It is the sense of the House of Representatives that the Committee on Ways and Means should consider legislation that makes State sales tax deductible against Federal income taxes.

SEC. 18. FUNDING FOR GRADUATE MEDICAL EDUCATION AT CHILDREN'S TEACHING HOSPITALS

It is the sense of Congress that:

(1) Function 550 of the President's budget should include an appropriate level of funding for graduate medical education conducted at independent children's teaching hospitals in order to ensure access to care by millions of children nationwide.

(2) An emphasis should be placed on the role played by community health centers in underserved rural and urban communities. An increase in funding for community health centers should not come at the expense of the Community Access Program. Both programs should be funded adequately, with the intention of doubling funding for increased capacity for community health centers, in addition to keeping the Community Access Program operational.

(3) The medicare program should emphasize such preventive medical services as those provided by vision rehabilitation professionals in saving Government funds and preserving the independence of a growing number of seniors in the coming years.

(4) Funding under function 550 should also reflect the importance of the Ryan White CARE Act to persons afflicted with HIV/AIDS. Funds allocated from the CARE Act serve as the safety net for thousands of low-income people living with HIV/AIDS who reside in metropolitan areas but are ineligible for entitlement programs. Moreover, the CARE Act provides critically needed grants directly to existing community-based clinics and public health providers to develop and deliver both early and ongoing comprehensive services to persons with HIV/AIDS.

SEC. 19. CONCURRENT RETIREMENT AND DISABILITY BENEFITS TO RETIRED MEMBERS OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds that the Secretary of Defense is the appropriate official for evaluating the existing standards for the provision of concurrent retirement and disability benefits to retired members of the Armed Forces and the need to change these standards.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Secretary of Defense should report to the congressional committees of jurisdiction on the provision of concurrent retirement and disability benefits to retired members of the Armed Forces;

(2) the report should address the number of individuals retired from the Armed Forces who would otherwise be eligible for disability compensation, the comparability of the policy to Office of Personnel Management guidelines for civilian Federal retirees, the applicability of this policy to prevailing private sector standards, the number of individuals potentially eligible for concurrent benefits who receive other forms of Federal assistance and the cost of that assistance, and alternative initiatives that would accomplish the same end as concurrent receipt of military retired pay and disability compensation;

(3) the Secretary of Defense should submit legislation that he considers appropriate; and

(4) upon receiving such report, the committees of jurisdiction, working with the Committees on the Budget of the House and Senate, should consider appropriate legislation.

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